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NATIONALISTS SINK RED INVASION CRAFT Communist junks hit off Luichow Peninsula CHUSANS THREATENED

Taipei, January 12.

The Nationalist Navy's Third Task Force reported it sank 30 of 50 Chinese Communist junks trying to invade small Waichou Island off Luichow Peninsula in South China.

Britons in Taipei threatened

Taipei, January 12.
The British Consulate's branch office in Taipei received an anonymous threatening letter today ordering it to pull down the Union Jack or else "we will do it for you."
The warning followed recent incidents in Taiwan. Another recipient was Mr. James Shepherd, Consul General of the Hong Kong Police. The communication said: "We are keeping the last bullet for you."
The Nationalist authorities and police are co-operating very closely with the British Consul to prevent incidents. —Reuter.

Indonesian delegation to Peking

Singapore, January 12.
A nine-member delegation from the Central Organisation of the All-Indonesian Labour Movement is on its way to Peking to renew contacts with the Communist-controlled World Federation of Trade Unions, it was learned here today.
The party, which includes two women, passed through Singapore in the 7,803-ton Dutch vessel Tjibadika earlier this week but did not come ashore.
Indonesian labour was not represented at the much discussed WFTU meeting in Peking last November because delegates were unable to secure passports. A spokesman for the delegation indicated that discussions would be held with the newly created Liaison Bureau of the WFTU. He said that his Organisation was anxious to "establish close relations with labourers in China."
The delegation intended to study progress and reconstruction in China, he added. —Reuter.

MAIL VAN STOLEN IN LONDON

London, January 12.
Thieves stole a mail van and kidnapped the driver in the City last night, while another postman was collecting mail from offices.
Soon afterwards the van was found on waste ground and inside was the driver, badly injured, unconscious and so badly hurt that he was rushed to hospital for an operation.
The police are today checking to see how many mail bags are missing and what they contained. —Reuter.

The Weather

At 0600 GMT (8 p.m. HKST) a depression is developing and deepening over the Yellow Sea. From it the trough extends SW along E and B China coasts to Gulf of Japan, and the Pacific to the S of Japan.
Today's Forecast: Moderate or fresh E winds, cloudy.
Yesterday's Weather:
Maximum: 65.6 deg. F.
Minimum: 58.6 deg. F.
Rainfall: 0.8 inches.
Total since Jan. 1-10: 1.0 inch.
An average of 18.5 mm. (0.73 in.) rainfall is normal for this period.

Commonwealth Ministers Conference

Colombo, January 12.
The Indian Prime Minister, Pandit Nehru, told the Commonwealth Ministers conference here today that no barrier against Soviet influence could be effective in South East Asia until the states concerned were politically contented, according to usually reliable conference sources.
The ministers discussed Indo-China and Burma at the morning session and after lunch turned to schemes for economic aid to South East Asia.
At the morning session, the ministers discussed aid to Burma which observers recalled, has been hanging fire despite the existence of machinery for continuous study of the problem through the Commonwealth ambassadors in Rangoon.

Indo-China

In the case of Indo-China, the main problem affecting the Commonwealth is the political decision whether to recognise the Bao Dai regime in Vietnam. The argument for recognition is that the alternative to Bao Dai is almost certainly the Vietnamese regime under Ho Chi-minh and the Communisation of Indo-China.

The ministers agreed to curtail the afternoon meeting by half an hour to enable four of their members to receive honorary degrees at a Colombo University ceremony.
They were the British Foreign Minister, Mr. Ernest Bevin, Mr. Pandit Nehru, Mr. Lester B. Pearson, Canadian External Minister and Mr. Philip Noel Baker, Britain's Commonwealth Relations Secretary. —Reuter.

RICE AGREEMENT

Bangkok, January 12.
The Thai Government accepted today the procedure suggested by Britain for negotiating the purchase of 400,000 tons of rice for British Asian territories during this year, usually, well-informed sources here said.
Rice experts from Hong Kong, Singapore and the Federation of Malaya will arrive here in the next few days for negotiations. —Reuter.

NO BARGAINING ON RECOGNITION

London, January 12.
Official sources expect diplomatic relations to be established smoothly between Britain and Communist China without lengthy bargaining. —Associated Press.

NEW RANK FOR WRNS

London, January 12.
The Admiralty last night announced a new rank for members of the Women's Royal Naval Service—pilot's mate. Eligible outstanding women air mechanics—but their job does not include flying—may now be promoted to this rank. —Reuter.

These despatches said the Communist fleet was composed of 1,000 craft averaging 40 tons and another 1,000 averaging 15 tons.

Neither the Navy, Army nor Air Force, which has been bombing coastal Communist China, had anything to confirm a rumour that 1,000 Red craft were bound for Hainan.

Hainan Strait was under heavy naval and air patrol.

Nationalist troops on the island were alerted. They guarded against an outbreak by Red guerrillas who have a part of Hainan under their control. General Pan Chung-hai, commander in the South, has more than 40,000 Nationalist troops on Hainan. Other Chinese commanders have smaller forces.

Nationalist warplanes ranged the Luichow Peninsula and the China coast, punishing gathering Communist forces with bombs and strafing attacks.

Canton, Foochow and Shanghai were among coastal cities raided by bombers. A 1,000-ton ship was reported hit at Shanghai.

A 2,000-ton Communist ship was reported hit off Luichow Peninsula by Nationalist bombers.

Port closure

In Taipei, Nationalist Vice-Foreign Minister Shih Chao-yung said the port closure instituted against Chinese harbours in Red hands would be kept in force at the risk of another Flying Arrow incident.

He said the Nationalist Government had the right to prosecute regulations covering the ports and would exercise that right hereafter.

Nationalist warplanes raided Shanghai, Canton and other Communist held Chinese mainland objectives today, but the results of the raids were not disclosed, adds United Press.

(A Tass News Agency despatch from Shanghai reported that 62 persons were killed and 40 wounded in a Nationalist bombing attack on January 7).

A Nationalist air force communiqué said that the aerial raiders' targets included Hengyang and Lingling in Hunan Province, Luichow and Wuchow in Kwangsi Province, and the South coast of Luichow Peninsula. Attacks also were made on bridges of the Canton-Kowloon and the Canton-Hankow railway lines, the communiqué said. —Associated Press and United Press.

Japanese ship fired on off South Korea

San Francisco, January 12.
Globe Wireless intercepted a message from the Taro Maru out of Nagasaki, Japan, today saying she had been fired on with machine-guns by a guard boat off the South Korean island of Cheju.

The message said: "We fired on the vessel with machine-guns by something like a guard boat. Nationality unknown. Ball said but other large-sized (naval) boat was captured. Be careful nearby."

The Taro Maru gave the position as 32°55' East longitude and 32°42' North latitude. —Associated Press.

Commandos hit the beach



Four hundred and fifty Commandos took part in the assault landing exercise, Operation Albattross, at Castle Peak yesterday. Picture shows the last wave of the Commandos hitting the beach on the 14-mile stone, climaxing the action part of the exercise. The Commandos camped out in the hills of Castle Peak yesterday and will return to town this morning when the exercise will end. See Page 2. "China Mail" Photo.

Nationalist Navy base near Hong Kong

Remnants of the Nationalist Navy in South China waters have established a base at Lapsapmoi, midway between Macao and Hong Kong on the shipping lane, to check on cargo carriers. Two Chinese vessels, travelling on a course between the ss. Kwongtung and ss. Kwong Sai, were fired on at dawn yesterday en route from Macao. The two British river steamers were not molested.

The Kiu Wan and Wing Fat, which evidently disregarded warnings to stop and were subsequently attacked, returned to Macao. No casualties have been reported, and it is believed that there was no damage done.

A guard on the British river vessel Kwongtung told the "China Mail" yesterday that the Nationalist Navy has been operating from the Lapsapmoi base with a large landing craft and two small river gunboats, checking on craft playing between Hong Kong and the South China Coast ports. Several Chinese craft have been taken to the base when certain matters cropped up which had to be clarified by higher authorities stationed at Lapsapmoi.

The informant believed that the two Chinese vessels which were fired at had not stopped when signalled by the patrolling craft.

"It was about 3.45 a.m. when I heard the sound of machine-guns echoing through the darkness," he recalled.

"The Kwong Sai was travelling ahead of all the four vessels. The Kiu Wan was behind her, followed closely by the Wing Fat Lee."

"Our vessel was not very far from the Chinese craft," he said. The firing continued for about 15 minutes. It was too dark to see whether the vessels attacked were damaged, he declared.

The attack occurred about an hour after the Kwongtung and Kwong Sai arrived here yesterday. Both left for Macao on their normal schedules.

An informant said that he had experienced a search by the Nationalists during one of his trips to Macao with local cargo.

"Our vessel is a small one and could not outrun the river gunboat, which did not bear any symbol. But we knew that she was one of the Nationalist Navy's fleet enforcing the blockade in the Pearl River area," he said.

"There were about 20 officers and sailors aboard the gunboat, which was a converted river craft. We were questioned as to our business and the value of the goods aboard. Evidently, they were satisfied, and let us go without further cross-examination," he stated.

"This informant asserted that he had heard of one or two craft which had been taken to Lapsapmoi for stringent questioning last night several hours before they were released."

News of such incidents had been kept quiet by personnel of the vessels so as to avoid repercussions, he believed. "The vessels are operating regularly on this run," he added.

Virtual blockade
According to United Press Nationalist gunboats in the Pearl River estuary have imposed a virtual blockade against Chinese ships and junks engaged in river traffic. Eight motor vessels and junks which left Macao for Hong Kong yesterday morning were forced to turn back after being fired upon by three gunboats.

Captain J. O. Skinner, of the British steamer Cheung Hing, which arrived from Hong Kong yesterday morning, reported that he saw a motor vessel being escorted toward Lintin Island by a Nationalist gunboat and an armed motor launch.

One motor vessel, the Sun On, was almost hit while attempting evasive action, but managed to escape. Her cargo of fish, poultry and vegetables was transferred to the Cheung Hing, which left for Hong Kong in the afternoon.

Watch your step!

Watch your step today! This is no day for walking under ladders. Shun black cats as you would the plague. Be especially careful not to break mirrors.
Today is that fateful day, Friday the 13th. It's the first of the new half century, and there's no telling what misfortune lurks around the corner.
So, Beware!

HK ruling on Chinese passports

Manila, January 12.
The British recognition of Communist China and the continued Philippine recognition of the Chinese Nationalist Government have caused a virtual stoppage of Chinese travel between Hong Kong and Manila.

The Foreign Office was advised today by the Philippine Consulate in Hong Kong that the Hong Kong Government will no longer grant re-entry permits to Chinese holding Nationalist passports.

This was interpreted to mean that Chinese leaving Hong Kong with Nationalist passports will not be permitted to return to the Crown Colony.

On the other hand, the Philippine authorities cannot recognise Communist passports, if any have been issued, inasmuch as the Philippines continues to recognise the Nationalists.

Visas suspended

The Foreign Office last night announced the suspension or the granting of visas in Hong Kong to Chinese desiring to come to the Philippines for a temporary visit.

Exempted from this ruling were prospective Chinese investors, but the Acting Foreign Secretary, Mr. Felloe Neri, today said that even prospective investors will not be granted visas by the Philippine consulate in Hong Kong in view of the Hong Kong government's new decrees.

Mr. Neri said prospective Chinese investors from Hong Kong would be stranded here if the Philippines allow them to enter the Philippines because they would not be able to return to Hong Kong. —United Press.

On Other Pages

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Reported entry of ss. Elsie Moller into Shanghai

The British merchant ship ss. Elsie Moller succeeded in getting through the Chinese Nationalist blockade into Shanghai yesterday, according to an unconfirmed report received here last night.

Contacted by the "China Mail" last night, Captain M. Campbell, Marine Superintendent of Mollers' Limited, owners of the ship, said that he had no information of the Elsie Moller's movements and that the company had received no word from the ship for the last four days.

Mr. Campbell said that the ship was chartered by a Chinese firm but declined to elaborate.

A Royal Navy spokesman in Hong Kong last night also could not confirm the ship's entry into Shanghai.

Several Royal Navy vessels, including HMS Black Swan which went to the aid of the ss. Flying Arrow, are known to be in the vicinity of the Yangtze estuary just outside Chinese territorial waters ready to render assistance to British merchantmen in case of need.

Meanwhile, Mr. Wayne Richardson, Associated Press correspondent who is aboard the Flying Arrow, said that a British merchantman passed within eight of the Flying Arrow off the mouth of the Yangtze yesterday morning.

This merchantman is presumably the ss. Elsie Moller.

Mr. Richardson added that a Nationalist gunboat and destroyer escort moved toward the ship, and the British sloop Black Swan moved toward the ship and the Chinese warships and nudged them back into Chinese territorial waters. There were no shots fired.

Brooklyn Heights

The question whether the Labrador freighter Brooklyn Heights will run the Shanghai blockade is expected to be definitely answered today.

A. P. Patterson, Hong Kong agent for the New York owners, reported yesterday evening that they expect instructions from the owners today which will decide on the departure and destination of the 4,501-ton vessel.

The Brooklyn Heights was originally advertised to leave the Colony for the Yangtze on January 7. Her departure was postponed several times. She was then reported to be sailing yesterday after obtaining her clearance from the Harbour Office on Wednesday. She cleared officially for Shanghai.

The agents stated that no personnel, except Chief Electrician Brinson Lacy, who was in hospital, had signed off.

Mr. Fred Hill, American Consul in Hong Kong, declared yesterday that he had not received any petition from the personnel of the Brooklyn Heights about desiring to sign off should the ship leave for the Communist port.

(Continued On Page 2)

Danger of explosion in Flying Arrow

Aboard Flying Arrow, January 12.

Danger of an explosion today threatened this shell-crippled American freighter. Captain David Jones said expansion of soda in the No. 5 hold could result in an explosion and new fire.

This was the 14th day since the ship was hit by a direct hit from a Chinese Nationalist gunboat. The warship attacked the Flying Arrow in international waters off the mouth of the Yangtze.

Captain Jones said he would try to take the ship to the Chinese Communist port of Taiching.

To wait and try to get into Shanghai would be dangerous, Captain Jones said. —Associated Press.

Important Red conference held in Moscow

London, January 12.

Reports reaching Austria indicated that "the most important Communist conference" since the end of the war has just ended in Moscow, according to the Vienna correspondent of the "Daily Telegraph" today.

"It was held during the Stalin birthday celebrations," the correspondent, "Gordon" Shepherd, said. It was no coincidence that leading economic experts were included in every delegation sent from the Cominform regimes to Moscow "to convey birthday greetings."

He added that several important developments are expected, including increased economic consolidation under close Soviet control and the construction of a permanent trade bridge between Communist Europe and Communist Asia. —Reuter.

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RELIEF PROVIDED FOR VICTIMS OF FIRE

Japan trade regulations

Allocation of official exchange for the purchase of industrial raw materials, machinery and equipment from Japan through the Government open account, will shortly be resumed on a limited scale it was learned yesterday.

Applications from factories or importing merchants for raw materials or equipment, should state clearly the type, quantity, weight and price of the material required.

In the case of merchants, a signed copy of contract or order to supply local factories should be enclosed with the application, which should be sent to the Department of Supplies and Distribution.

The Department of Commerce and Industry reiterated that all goods from Japan require import licences. This requirement extends to shipments of samples.

The Department requests the co-operation of shipping firms and importers in this matter, but warns that it may be necessary to resort to prosecutions in the event of breaches of the regulations.

Reminders

Today

Wah Yan Dramatic Society presents "A Lizard in no Dragon" at Wah Yan College theatre, Robinson Road, 8.30 p.m.
Crescent Chamber Concert at Roof Garden, HK Hotel, 9 p.m.
Luis Chan's one-man exhibition of paintings, Hotel Cecil, 10 a.m. to 6 p.m.
Exhibition of Paintings by Mr. Mue Yut-in, St. John's Cathedral, 10 a.m.
Nine Dragons Services Club, tombola, 8 p.m.
United International Service at St. John's Cathedral, "Heaven in Church" by Lt. Col. F. T. Waller, 5.30 p.m.
International Academy of Art, exhibition of European and Chinese paintings, Hotel Cecil, 10 a.m. to 6 p.m.
European YMCA Members Council meeting, 6 p.m.
Radio Union Executive Committee meeting at SCM Post board room, 5.15 p.m.
Queen's College Annual Speech Day, at St. Joseph's College, Kennedy Road, 10.30 a.m.
Kowloon Road Club inaugural dinner dance, Peninsula Hotel, 8 p.m.

Coming Events

TOMORROW
Luis Chan one-man exhibition of paintings, Hotel Cecil, 10 a.m. to 6 p.m.
Exhibition of Paintings by Mr. Mue Yut-in, St. John's Cathedral, 10 a.m.
British Council pictures, European YMCA, (for Services) 8 p.m.
Kowloon Gramophone Society classical concert, Diocesan Boys School, 8.15 p.m.
Wah Yan Dramatic Society presents "A Lizard in no Dragon" at Wah Yan College theatre, Robinson Road, 8.30 p.m.
Nine Dragons Services Club, tombola, 8 p.m.
European YMCA Armchair Group meeting, "Chinese Handicraft" by Mr. F. Gabbott, 8.30 p.m.
United Service of Christian Workers, at English Methodist Church, 8.30 p.m., at St. Andrew's Church, 6.30 p.m.

Thirteen Chinese organisations come forward yesterday to provide immediate relief for nearly 10,000 squatters who were dispossessed by the fire which on Wednesday reduced three Kowloon City villages to ashes.

The Government's Social Welfare Department, acting as liaison body between the victims and the organisations, assumed control of relief as it spread to the fields of housing, clothing and feeding.

Competent estimates placed total damage at nearly \$1,000,000. There were, however, no casualties. In the majority of cases missing children were by late yesterday returned to their parents.

Firms and factories operating in the neighbourhood opened their doors to many victims of the fire, and the Social Welfare Department established two temporary feeding centres at Lok Sin Tong and Man Sang School.

Rebuilding homes

However, hundreds of families who were rendered destitute made their way back to the destroyed area yesterday in a determined attempt to rebuild their homes on the burnt-out site. Several of them returned to the area on the night of the conflagration itself, to salvage what remained of their property and investigate the chances of early reconstruction.

Across the debris of dying embers and smoke, the squatters wandered about the blackened area, in groups of twos and threes, consoling each other.

Despite the help offered by many organisations which have taken in hand the vast problem of relief, the returning squatters showed no willingness to remain dependent for any length of time. Women, children and men were all busy yesterday restoring the area to its former pathetic condition of congested humanity.

Mr. W. J. Gorman, Chief Fire Officer, who toured the area yesterday morning, told the "China Mail" he too, had noticed the spirit of defeatism among the squatters. He said he believes that in a matter of days many of the huts will have been restored. The only handicap to reconstruction is the lack of money which many of the squatters must be experiencing.

In a thorough review of the fire, Mr. Gorman said the total damage yesterday appeared to be much less than the original estimate. Subsequent investigations considerably reduced the magnitude of the conflagration, and a number of huts were still standing in a sea of ruined homes and factories.

Of the four film studios which dotted the fringes of the affected area, three resumed operations yesterday, while one which was only superficially damaged will start work again in a few days.

Started in knitting factory

The Chief Fire Officer said the conflagration started in a knitting factory, and spread to adjacent areas, fanned by strong winds from the North.

The Fire Brigade and Police acquitted themselves with daring and bravery and an astonishing lack of modern fire-fighting equipment. The number of casualties to all, though fear gripped the women and children in the area, the exodus to safer neighbourhoods was swiftly accomplished with no breakdown of control.

The Fire Brigade put to good use their recent joint drills with the police, and the emergency nature of the fire was soon realised and promptly attacked. Swift, perfunctory orders were acted upon, and the fire-fighting organisation as it spread, from officer to men, and from the men to the crowd, was perfect.

Lack of water hydrants, occasional breakdown of pump facilities, and the insufficiency of water supply despite strenuous appeals to the Water Department, caused the fire to assume the serious proportions that it did, Mr. Gorman said.

"If there was a river flowing nearby, or if I had been able to get all the water I needed, the fire would have been under control in half an hour," Mr. Gorman declared.

Danger areas

He bitterly deplored the existence of squatter localities in the Colony, and expressed his personal opinion that as long as the Government did nothing to eliminate such areas, it would have to assume a great deal of responsibility for the suffering of such districts.

Mr. Gorman attacked the construction of squatter dwellings as a fundamental evil. One member of his staff, going slightly beyond Mr. Gorman, described a squatter area as indicative of a "breakdown of civilisation."

Speaking as Chief of a badly overworked Fire Brigade which, since the beginning of Hong Kong's conflagration has had to cope with fires of mounting magnitude, Mr. Gorman said that so long as squatter colonies persist, the element of danger remains pressing and urgent.

In the course of his experience in the Far East he has come in contact with many squatter areas, and the results were always the same. Things went along for a time until suddenly large blocks of huts were reduced to ashes by a fire which began innocently in one of them.

Flimsy material, cheap construction, and the inclination to concentrate in one spot are all contributing factors to the presence of danger, Mr. Gorman said. Squatter habitations are nothing more than fire-traps, and risks are always enhanced by hazards such as kerosene which is used by the poorer classes as fuel.

Mr. Gorman believes that the only way to deal with the problem is to segregate squatter areas by municipal action. If this is impossible because of conditions obtaining today, then fire breaks should be made in the areas. The inter-lacing character of the huts should be destroyed, and a greater supply of water should be made available.

Trader given nine months for assault

Remarking that it was fortunate that he was not charged with murder, Mr. A. D. Scholes at Central yesterday sentenced Wong Ng-sek, travelling trader, to nine months' hard labour for assaulting Pui Pak-kuen, of 48 Agular Street, causing him grievous bodily harm.

The prosecution alleged that on Monday night, at room 415, Nam Ping Hotel, defendant attacked complainant with a chopper causing him to lose the use of two fingers of the left hand as a result of an argument over a swindling and gambling case in Canton.

After sentence was passed, defendant's wife asked for a reduction of sentence saying that defendant had several dependents.

On refusing the request, Mr. Scholes said that he could get a much heavier sentence on the charge. Defendant's wife then offered to go to jail in his place. The offer was also refused.

Indian boy on flight to U.S.

A nine-year-old Indian boy from Punjab Province, was the youngest air traveller in a Pan American World Airways DC-4 when the aircraft left here for Seattle yesterday afternoon.

Mangal Singh, who spent Wednesday night in the Peninsula Hotel, is travelling to Vancouver from Calcutta.

The young traveller with his native turban and blanket is travelling alone to the Western Hemisphere. He speaks only his native Punjabi.

One PAA official said that on Wednesday night that while at the mainland's most luxurious hotel, the Little boy got homesick. As a result he cried aloud all night.

Due to language difficulty, no one was able to comfort the young Indian.

An adult Indian traveller on the same plane took the responsibility of looking after the youngster.

COMMERCIAL DIARY

Gregg's Commercial Diary—a handy desk calendar containing general information and facts—has been published by the Gregg Publishing Company, of 111, Prince's Building, at HK\$4 a copy.

The first two pages are devoted to a full 1950 calendar and persons in whom the general information section includes a map of the Colony, a list of Trade Commissioners, Consulates, a building guide and telephone, telegraph and radio lists. The last page of the different transport companies and firms are also given, in addition to other commercial general information.

Squatters get congee



Squatters, who were rendered homeless by the fire which razed hundreds of huts in Kowloon City Wednesday evening, receive congee from an emergency food kitchen set up by charitable institutions after the fire. ("China Mail" photo).

Jury finds Milne guilty of rape

A unanimous verdict of guilty was yesterday returned by the jury trying Andrew Milne, 23-year-old RASC driver, who stood trial at the Criminal Sessions for raping the 30-year-old Hakka wife of a Chinese earth cooler.

Sentence was deferred until noon today by Mr. Justice Williams, Senior Puisne Judge, after Mr. A. J. Clifford, defence counsel, had put forward a plea of mitigation on Milne's behalf.

The jury of five men and two women, who retired to deliberate for about an hour, however added a recommendation for leniency in view of the prisoner's youth.

The prosecution was conducted by Mr. A. Hooton, assisted by Detective Sub-Inspector Seragg. Mr. Clifford appeared for Milne on instructions of the Hong Kong Bar Council.

When the verdict had been returned, Mr. Hooton told the Court that though the prisoner had no record in the Colony, he had had previous convictions in the United Kingdom.

Crown Counsel said that, according to reports from Scotland Yard, Milne had been convicted of theft in Edinburgh on September 1, 1944, and fined £4. On April 4, 1949, he was convicted again for theft and house-breaking in Perth for which he was given 60 days.

After Milne had admitted his record, Mr. Clifford in mitigation stated that none of the usual things accompanying the offence of rape was present in the case. No injury was caused. It was no question of a young, innocent girl being involved. There was no doubt that, as far as the woman was concerned, she did not take the rape so seriously, and only made mention of the fact that her clothes were torn when the police arrived.

Mr. Clifford went on to say that another mitigating factor was that the prisoner was drunk. He was away from home in his unit, and thus away from home life. It was the absence of it that made him drink.

Mr. Williams then adjourned the case until noon today saying that he would like to think the matter over.

The crime in question was committed on September 1 last, Milne, after having had some drinks in Kowloon, returned to the New Territories where he was billeted. He went up to an old cell in the disused Castle Peak police station where "Deey Tung," the woman concerned, stayed, and there raped her. He then took her along to his billet nearby and molested her again.

In a statement from the dock yesterday, Milne in defence said that on the day in question he had some drinks at the Blue Felix Cafe, "after which he took a trolley back to the New Territories."

When he got somewhere near his billet, he slipped and fell in a ditch, and could not remember what happened then, until he awoke and found himself lying with a woman.

Milne's trial has taken four days.

QUARANTINE

Quarantine restrictions have been imposed against arrivals from Swatow on account of smallpox.

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Murder trial continues

Suggestions that the three accused in the Tiger Mansions murder trial were beaten up or threatened by the police after their arrest were denied by a police interpreter at the Criminal Sessions yesterday.

Hearing was adjourned until 10.30 this morning. The defence will commence its case some time today.

The accused are Ng Tong, Tsang Fook and Pun To, alias Hak Tui. They are charged with the murder of Law Shu-fan, gardener at the Tiger Balm Mansions, on October 20 last.

Mr. J. Reynolds, Crown Counsel, assisted by Detective Sub-Inspector C. Nicoll, is prosecuting. Mr. Y. K. Mok instructed by Mr. G. S. Ford is appearing on behalf of the first accused.

The other two are represented by Mr. S. V. Gittins on the instructions of Mr. A. L. L.

The case is being heard before Mr. Justice Gould, Puisne Judge, and a jury of six men and one woman.

Raid on hut

The men are alleged to have taken part in a morning raid at a stone hut in the mansions grounds, Causeway Bay, where the deceased's wife slept. After getting up in the morning, the woman, on opening the door, was confronted by a band of men, who robbed her of money and jewellery. Just then, the woman's husband arrived on the scene, and it is alleged that the first accused got hold of a dagger and stabbed him.

FIRE IN SHIP

A small fire occurred in the coal bunkers of the Panamanian freighter Unita yesterday as she rode at anchor in Kowloon Bay.

Damage was negligible and no one was injured. The outbreak was smothered by the ship's personnel on the arrival of a fire boat sent by the Fire Brigade, under the supervision of Regional Officer Brooks.

The Unita arrived here from Takao on Wednesday with 5,000 tons of sugar in transit. She is due to leave today for Osaka.

The 2,345-ton freighter is commanded by Mr. M. Olsen.

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The Treasurers Office, Telephone House, and the Club's Branch Office, Kowloon, will be open for the Sale of the above Sweep tickets on Saturday, 14th and Sunday, 15th January, 1950 from 9 a.m. to 5.00 p.m.

The Sale of Cash Sweep Tickets on the above will close at THE BRANCH OFFICE—KOWLOON at 4.00 p.m. on MONDAY, 16th January, 1950. THE TREASURERS' OFFICE—TELEPHONE HOUSE at 5.00 p.m. on MONDAY, 16th January, 1950.

The Draw will be held at the Public Pari-Mutuel Hall, the Race Course, at 10.00 a.m. on TUESDAY, 17th January, 1950.

By Order,
S. A. SLEAP,
Secretary.

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Everybody loves *Little Women* ...and they all love the boy-next-door!



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AT
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P.M.

A SHOT... THEN SILENCE!

MAUREEN O'HARA
MELVYN DOUGLAS
GLORIA GRAHAME
BILL WILLIAMS

A Woman's Secret

with VICTOR JORY
MARY PHILIPS - JAY C. FLIPPEN
A DORE SCHARY Production

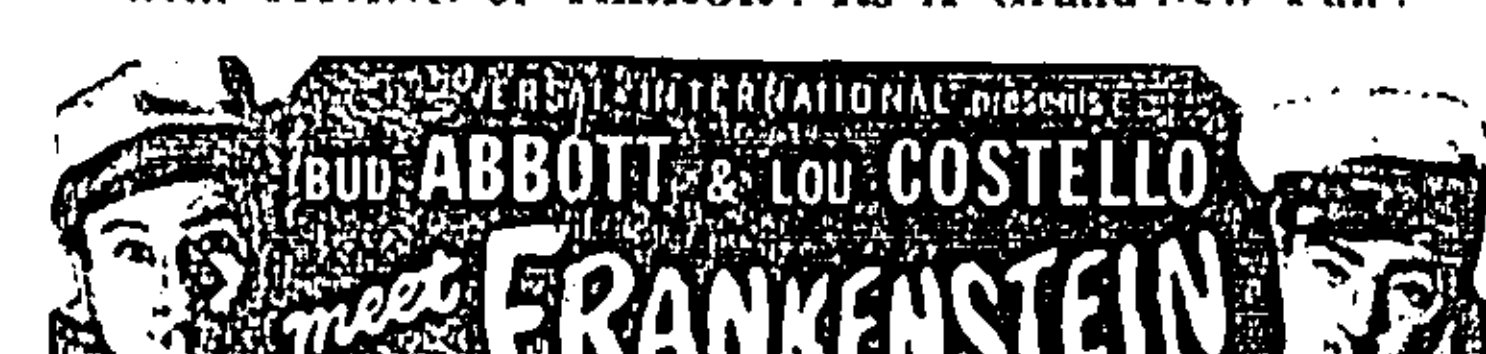
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CINEMA WORLD



BRIAN CRAWFORD and SCOTT

A lesson in politics

*Joan Crawford film
at King's and Lee*

Rating: *

A lesson in American politics and a fairly dramatic account of a woman's ambition to live on the right side of the track, are contained in "Flamingo Road," week-end attraction at the King's and Lee Theatres.

Starring Joan Crawford, Zachary Scott, Sydney Greenstreet, and introducing David Brian to the local screen, the picture has been directed by Michael Curtiz, of "Mildred Pierce" fame, and possesses enough punch to make it an interesting show for all, barring kiddies, who should be left at home.

Joan Crawford, carnival dancer, is stranded in a small town, and through Zachary Scott, deputy sheriff, gets a job as a waitress. County sheriff Sydney Greenstreet, politically ambitious, is sponsoring Scott, actually to advance his own interests. Disproving of Joan, Greenstreet has her sent to prison. Scott meantime marries a local society belle.

Released, Joan is determined not to be run out by Greenstreet, and she gets a new job at Gladys George's roadhouse. The state politics gather here, and Joan meets David Brian, Greenstreet's main political rival. He falls in love with Joan and they soon marry.

Scott, realising his lack of fibre, goes downhill, and Greenstreet throws him out to run for governor himself. Brian, recognising Greenstreet's ruthlessness, balks at this new move. When Scott shoots himself in Joan's house, Greenstreet immediately casts suspicion on her. Believing his wife to have been still in love with Scott, when she married him, Brian breaks with her.

RATINGS

The "China Mail" is using the following classification to indicate to readers the quality of films reviewed:

- **** Excellent
- *** Very Good
- ** Good
- * Fair

Little women make big picture

Rating: ***

The Queen's and Alhambra theatres this week-end offer a family picture in "Little Women," a Technicolor production starring Elizabeth Taylor, June Allyson, Peter Lawford, and a host of other reliable actors and actresses. The novel which has been read by many loses little on the screen and the millions of readers who enjoyed following the ups and downs of the March family will find that MGM has done a good job with their colorful version.

Every member of the discerningly chosen cast fits his and her part like a glove. June Allyson is perfectly suited to the role of the tomboyish Jo, who sacrifices her lovely hair in order to provide Marianne with the money to visit their wounded soldier-father, who defies convention, loses her beloved Laurie but ends up with both a husband and a career. Peter Lawford offers a bracing portrayal of the impetuous Laurie. Margaret O'Brien is a touching little Beth Elizabeth Taylor sparkles as the radiant Amy. Janet Leigh lends quiet dignity to the part of Meg eldest of the girls.

Hollywood gossip

Deanna Durbin seems determined to resume her career. She's on a strict diet to reduce two stones and is reading stories that do not mention her. It seems like yesterday that I heard Edna Mae Durbin warble at the Los Angeles Lanchester Club smokers. And at that time a girl called Judy Gurnau was knocking at studio doors. She got in—as Judy Gurnau.

When Van Heflin was a student of drama at the University of Oklahoma, he was told to get into movies and "win those gorgeous dames." In "East Side, West Side," he wins Barbara Stanwyck from our own and imitable James Mason. It's Van's first win in his last seven films.

Maureen O'Sullivan has again refused a very tempting offer to star in a Broadway play—and a nice salary of \$90 a week. The reason for her 'no,' she doesn't want to leave her director-husband, John Farrow, and her six children.

We marvel at the energy of women in Hollywood in addition to running a house, having families, and a career, some of them are heads of successful businesses. Maureen O'Hara now owns three dress shops. Joan Crawford owns three big blocks of flats which she personally supervises. Irene Dunne owns two hotels. Claudette Colbert has several petrol-filling stations, large properties, and an interest in two plastics factories. Joan Fontaine is vice-president of Rampart Pictures, attends all the meetings, and decides on policy.



O'HARA and DOUGLAS

A phony confession

Thriller due
at Roxy
Theatre today

Revolving around a woman's quixotic effort to shield her protegee from scandal, "A Woman's Secret" co-stars Maureen O'Hara, Melvyn Douglas, Gloria Grahame and Bill Williams in an drama of the entertainment world. The film is now at the Roxy Theatre.

Miss O'Hara is the key figure, a former radio singer who uses her voice but successfully guides the career of a younger girl to fame over the air-waves. When her protegee becomes emotionally involved and tries to commit suicide, Miss O'Hara decides to protect the girl's reputation by "confessing" that she herself fired the shot, and she is promptly arrested on a charge of attempted murder.

Subsequent developments are the efforts of Douglas, long Miss O'Hara's closest friend, to convince the police that the charge is ridiculous, and to clear up the whole affair. How he does it makes for an absorbing plot.

Miss Grahame plays the young singer and Williams is cast as her GI friend. Victor Jory is seen as an attorney, J. C. Flippen and Mary Phillips as a police inspector and his wife, heading the supporting cast. The Dore Schary presentation for RKO Radio was directed by Nicholas Ray, with Herman J. Mankiewicz producing and writing the screenplay from Vicki Baum's novel, "Mortgage on Life."

Jerry Wald, the dynamic producer, defined a movie executive: "He's the man who has a worried look on the face of his assistant."

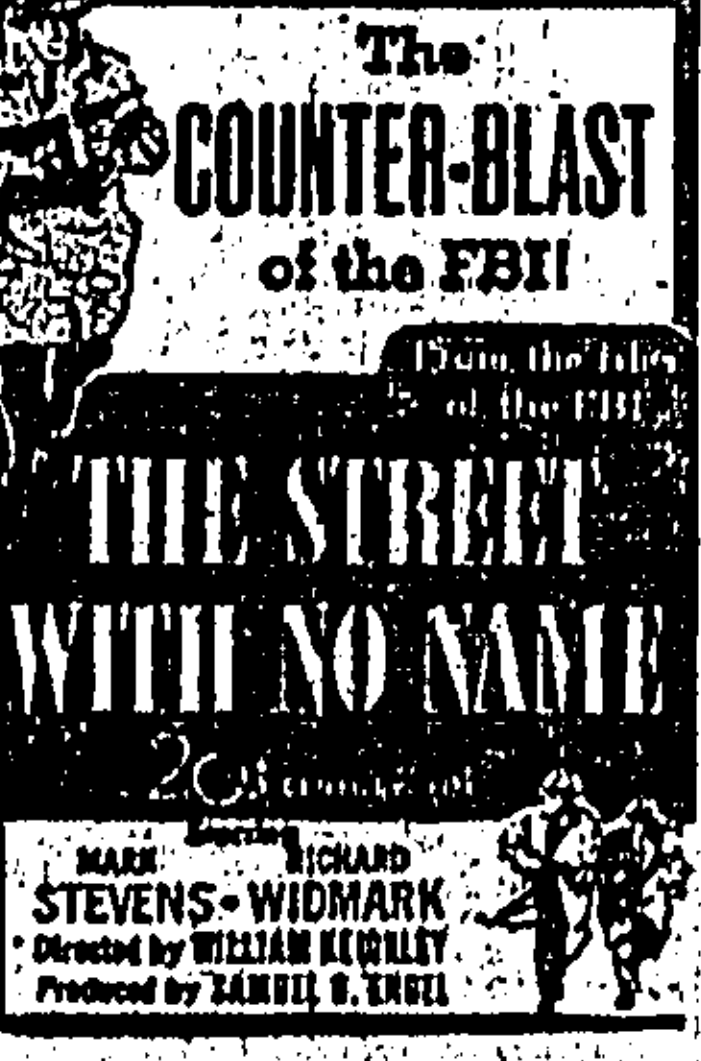
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SUPER PRODUCTION

COMING TO THIS THEATRE

"NORTH WEST MOUNTED POLICE"

A Paramount Picture

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DESPERATE MEN... a Daring Woman!

HELLFIRE

in Technicolor

WILLIAM ELLIOTT

WINDSOR TUCKER DAVIS

A REPUBLIC PRODUCTION

SHOWING TODAY

Cathay

AT 2.30, 5.30,
7.20 & 9.30 P.M.

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LAUREN BACALL

LIONEL BARRYMORE

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THE COST OF LIVING

Deadlocks are rarely deadly unless no attempt whatever is made to break them. Sometimes they are as salutary as a cooling draught to the overheated, and sometimes they produce an explosion. The issue in the present industrial disputes in Hong Kong is an economic one. There are no political demands, but there does appear to be a pre-supposition that politics lurks slyly in the background. It seems wiser to put that aside for the moment and likewise to forget any mid-Victorian conception of blighted capitalists bulging with misbegotten wealth. There is no need for such prejudices, which can do much harm and no good.

The workers in the utilities and other concerns have demanded an extra allowance of three dollars a day because, they say, the cost of living has gone up. The demand has been put forward, no doubt, in the usual bargaining spirit of the Chinese. They don't expect to get all they ask—they would be Chinese if they did. But quite clearly they do expect to get something and will be sorely put out if they don't. Indeed, it is pretty certain, in our opinion, that they would if the issue were submitted to impartial arbitration.

The employers have agreed to arbitration. The unions have refused. The refusal is inspired not so much by any alien trade union prejudice, but rather by the ancient traditions of the Chinese themselves, and perhaps also by angry mistrust. They expect to every offer a counter-offer—a method that doesn't always end in a bargain. But anyway the workers have not had a counter-offer in actual terms and there is no present indication they will get it. A common demand, however separately submitted, for an extra three dollars a day allowance by all the unions concerned has led to a common stand by the employers—no counter-offer, but arbitration.

That was how things stood when, with commendable enterprise, the manager of the Dairy Farm accepted a challenge to try out the workers face to face. When he sought to explain what arbitration meant, he was shouted down. The demonstration of the workers' hostility to arbitration was by no means so convincing as a secret ballot of the workers would have been, but the vote seemed to have been pretty conclusive. Arbitration seems as unpopular with the workers here as the Communist argument in refusing workers' demands in China. The deadlock seems likely to go on a long time. In one case the workers' demands were submitted four months ago.

The Chinese Reform Association has suggested that the Government and public organisations should intervene on the ground that the whole community is affected, and that the Government should order the resumption of the tram service, leaving the actual settlement to be decided later. The further suggestion was made that a round table conference should be called to devise ways and means of bringing about a settlement. But what is wanted is not a talkfest with everybody talking at once and seldom to the point, but a

QUESTIONS CONCERNING ASIA AND THE COLOMBO MEETING

By "Windrush"

In yesterday's article there was an outline of some of the questions which are being discussed at the moment at the Colombo Conference. The list was not complete. Many other questions may be raised. The procedure is informal. Any foreign minister at the Conference can raise whatever question interests him.

The Asian Dominion may wish to know more about British plans in Malaya. Great Britain has announced that it has abandoned its career as an imperial power. What, then, is she doing in Malaya? The continued success of the Communists in Malaya in defying the British military drive against them shows that Malaya is definitely a problem case.

Probably the British Foreign Secretary would welcome the opportunity of explaining the British position in Malaya. Great Britain has nothing to hide, and nothing really to be ashamed of there, except perhaps a certain inefficiency in dealing with the Communist rebellion.

The record since the war shows that Great Britain is pressing on with the preparations for making Malaya self-governing. The political reforms and the setting up of the University of Malaya are significant actions. Nobody who knows Malaya would claim that at this stage Great Britain could make a simple transfer of power.

To whom should power be transferred? The population of Malaya is divided between Malays, Chinese and Indians. The Chinese are in a small majority. The three communities are in great difficulty in colla-

tion. Malaya has to go through a period of constructive political evolution before it can stand on its own feet.

Point of interest

All this is true. Yet the Asian Dominions may have many questions to ask about how Great Britain proposes to end the Communist rebellion. The British Government has announced, too often that the rebellion is in its last stages. The Asian Dominions have every reason to be interested. After all, it is Malayan exports which provide a high percentage of the dollar-earnings of the sterling area.

Burma is another hard problem. Burma put itself out of the Commonwealth by its own decision. Nobody in the Commonwealth wishes to lure it back. But since Burma is a neighbour, state of both India and East Pakistan, the continuance of its present anarchy raises problems for the Commonwealth. Various plans have been discussed for Commonwealth aid to the Burma government which would not impair Burmese sovereignty. The conference may be a useful opportunity for continuing these discussions.

India may wish to raise the question of Tibet. The Chinese Communists have announced several times that they intend to "liberate" Tibet. In the past, Delhi, for security reasons, has always regarded the autonomy of Tibet as a vital Indian interest. If India wishes to continue this policy, it will probably want to know what support it could receive from the Commonwealth in resisting a Chinese attack on Tibet.

All the countries of the Commonwealth will have much to discuss about American policy. We are in a stage of world evolution where neither Great Britain nor any country of the Commonwealth can decide its attitude on major questions without asking what backing it can expect from America.

The difficulty is that American policy, though far less invariable than before the war, is still vacillating and not easily calculable. American, because of its constitution and the special nature of its domestic politics, takes longer than most countries to make up its mind.

There is an interesting example of this at the present time. It was hoped that the Colombo Conference would be able to give its views on American proposals for the peace treaty with Japan. But months after they were expected to be ready, there is no prospect of their being put forward. American views on the future of Japan are still too divided for America to have a policy. (This is an example of American delay.)

The British Government hopes that the Conference will not have to consider either the dispute between India and Pakistan over Kashmir, or economic matters, or the dispute between India, Pakistan and South Africa over racial policies. Its view is that the conference should not concern itself with quarrels between members of the Commonwealth. If it did so, the all would be poisoned. It would be impossible to reach agreement on constructive common policies.

This is a convincing argument. Yet it does not alter the fact that it is lamentable that there should be no machinery for dealing with disputes within the Common-

wealth except by reference to the Security Council or Trusteeship Council of the United Nations. Many people have felt that there was a gap in the machinery of Commonwealth co-operation. Perhaps the new Australian Government, which has proclaimed its wish to knit the Commonwealth more closely together, would take the initiative in proposing the system for Commonwealth arbitration and reconciliation. But the place to discuss this proposal would be, not the present conference of foreign ministers, but the next conference of Commonwealth prime ministers.

Quirino may have operation

Baltimore, January 11. It may be a day or so before doctors know whether they will have to operate on President Elpidio Quirino of the Philippines. This was announced today by a Johns Hopkins hospital spokesman.

President Quirino underwent X-ray examinations today. It was the start of a series of tests which Hopkins specialists and the President's own physician are making to determine if he should undergo a kidney stone operation. A Hopkins spokesman reported that Mr. Quirino slept well on Tuesday night, his first in the hospital, and was in good spirits that morning. He could have no inkling because of the X-ray examinations.

Dr. Lay Martin visited him tonight and gave him the physical check-up which is routine for all patients entering the hospital. Dr. W. A. Colston, urological specialist, made arrangements to see the President today. Dr. Colston is in charge of the case. He will perform the operation if one is decided upon. Dr. Agostino Sison, Mr. Quirino's personal physician, accompanied him through the series of tests.

Mr. Quirino received a basket of flowers on Tuesday night from Cardinal Spellman of the New York Catholic Diocese. An aide to the Cardinal said he plans to come here and visit Mr. Quirino. The date was not set. They have met several times before.—Associated Press.

INDO-PERSIAN TRADE PACT

New Delhi, January 11. India and Persia are signing on Thursday a preliminary trade pact to further bilateral commerce, which at present stands at 700,000,000 rials annually.

Fathollah Noury Esfandary, member of the Persian Council of the Seven-Year Plan and leader of a five-man economic mission to India who is signing on behalf of his country, said this pact is the forerunner of a fuller treaty of commerce and navigation, the draft of which is being examined by both Governments.

The preliminary pact aims to remove exchange difficulties and other import-export restrictions at present hampering trade. India and Persia have agreed to grant residents of each country the right to trade in each other's goods. Persia has agreed to allow greater import of Indian cotton, wool, and handloom products and greater facilities for shipping.

India's imports are mainly carpets, saffron and dry fruit.—Associated Press.



Peaky
"Britain needs 1,130 talpans."
I would say this opens up an entirely new export field for Hong Kong.

Local waiters "dressed" a customer on the head with a piece of wood when he complained.
It is sort of thing becomes common. I'm going to start looking for my old steel helmet again.

As I was telling Myrtle the other night, I learned to climb at an early age. I had a tricycle with a loose saddle.

Farming it out.
The strike menace now looks like affecting our bread and butter.

I note that "another" large quantity of new female fur coats has arrived from Tientsin. They aren't, however, regarded as more deadly than the mail.

The weather has been so hot in the North of England recently that when the sun finally shone for a few hours one day, a local editor headed the story, "Prodigious sun returns."

"Deer production difficult." Trouble brewing.

A contemporary reports that a woman "was looking for her husband who was a worker factory in town." He had probably gone across the border to join the other heroic Stakhanovites.

I suppose honesty is really the best policy. But I know several chaps who've done awfully well by letting it lapse.

"When I was in Africa I used to play gin-rummy with the tribal warriors."
"Zulus!"
"No, as a matter of fact, I came out pretty well."

"Englishmen love a friendly game of cards."
And then, of course, there's bridge.

"Old George is terribly mean. Someone ought to tell him he won't be able to take it with him when he dies."
"Listen, old boy. If George can't take it with him, he won't go!"

"Well, well, if it isn't Mrs. Smith! How are you?"

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

"I shall."

DESERT MAGINOT LINE OF FLESH AND BLOOD

Not long ago a dark, hat-chefed man in his middle 40's sat in a clandestine Tel Aviv headquarters and pored over reports transmitted through secret underground grapevines.

Very few who worked under him in Hagannah, the Jewish resistance organisation in British Palestine, were aware of his

specific enquiry which will establish the facts in the basic issue at stake now in all the industries which have been asked to pay an extra three dollars a day.

A circular was sent out to all the Colonial Governments in 1941 by the Colonial Secretary in the Churchill wartime Government urging the establishment of a Labour Advisory Board in all the Colonies. This was to consist of representatives of employers and workers "as evenly balanced as possible," and an independent Chairman, with powers to co-opt additional members with specialised knowledge as and when required. Such Boards would have powers to discuss a wide range of affairs, including fundamental Labour legislation; wage rates, cost of living, unemployment relief, workers' recruitment, and other topics.

A Board of this sort has been established in Hong Kong, but it has met only at rare intervals. It consists of three representatives of European employers, three of Chinese employers, and three of the Labour Unions, with the Commissioner of Labour as Chairman. A new Board is due to be appointed now. We suggest a chartered accountant or independent statistician be co-opted, and that the Board be asked at once to go into the question of the actual cost of living, and to establish a reasonably true index which will be a better guide than the present rough and ready system on which the rehabilitation allowance is based. It would be essential, of course, that the workers' representatives should be elected and that the balance could be improved, too, with advantage. The public would then be entitled to expect both parties to agree to the immediate resumption of any suspended service pending the submission of the Board's report, which negotiations could again be taken up on the basis of its findings. In Britain the index is decisive—why not here too?

identify To those who knew his real function here was under a revolutionary order.

For years he had served with the French Foreign Legion, as a skilled technician, then, as chief of Hagannah's intelligence system, he controlled information on Arab war plans after the British withdrawal from the Holy Land.

He helped to formulate defence strategy until the Jews in Palestine were strong enough to take offensive action.

Today that man is one of the top planners of Israel's struggling frontier defences. He shares the responsibility in preparing for what many believe will be a further hurricane of violence in the Middle East's tempestuous political climate.

The vast-pocket State with an area of less than 5,000 square miles is nearly 1,000 miles of convoluted land boundaries with Egypt, Syria, Lebanon, and the Hashemite Jordan Kingdom. Crossings and infiltrations into Israel from the neighbouring Arab territories are comparatively easy to experienced desert raiders. And the next round in the struggle, it is said, will be fought by highly trained guerrilla forces, according to available information.

Defence in depth

A new technique is being worked out to provide defence in depth for any emergency situation which may next confront the small Israeli republic. It includes both static posts and mobile striking forces might be called Israel's version of the 1939 Maginot Line—but it is a Maginot Line of flesh and blood, manned by tough young men and women. They combine the roles of farmers and fighters.

On the fringes of the Southland region of Israel, known as the Negev, security zones have been established under Government legislation. Within them, frontier villages are being set up. They are chosen for their strategic vantage points.

The settlers are trained in combat tactics as well as the latest agricultural methods designed to win the Negev's barren hills. The fertility. They will be the first line in the Negev, "Maginot" defences in case of attack.

Fighting nation

Behind them the newly formed Frontier Force will swing into action to be followed by Regular army units. The point is that the Negev is not a desert, but a land under a coordinated central command. Israel's main power for the dual job of quelling civil and foreign trouble is coming from the tens of thousands of newcomers now pouring in. Cooperation for military purposes begins at the quayside. The drab uniforms are being trained to start army life. It is all part of the new policy to make Israel a fighting nation.

But the leaders believe it essential to have all sorts and conditions of people to create a "normal" citizenry. They say there cannot be a prefabricated Israel people; the process of manufacturing the human raw material is possible only in Israel—not outside it.

First, there are no longer the rigid standards of selection at the point of immigrant departure as there were under the British Government in Palestine.

One criterion

British quotas for Jewish newcomers were restricted by the 1939 White Paper policy, and consequently Jewish Agency officials issued the allotted immigration certificates sparingly to the most qualified candidates. These were chosen for physical ability as land settlers or for industrial skill.

Today the only criterion is whether a person is Jewish. No other discrimination exists. And so whole communities are on the move to Israel from Europe, Turkey, North Africa, and Asia.

Secondly, the new Israel is a medley of habits, usages, and customs based by varying degrees on the old policies of scattered Jewish communities. Clashes of temperament, psychology, and outlook are inevitable.

Thirdly, public officials are frankly concerned over the arrival of "social" problems—elements from the under-privileged sections of big cities in Morocco and Algeria.

Risks accepted

But their way of tackling the situation is not to keep these people out; they are thinking in terms of a broad programme of social and moral re-education. Israel's Government leaders are taking the risks involved, they say, so that the principle of human dignity and the rights of man may be established.

The principle is considered highly important by Jews who have had a long record of suffering under persecution. These are some of the factors in the truncated Holy Land where Israel has its State. Other grave problems remain to be solved. Chiefly they concern the sustenance as well as the structure of the new society.

On Swiss model

President Chaima Weizmann, world-famed chemist, has often said that the Jews in Israel must develop science and skill, as the dominant features of a sound new economy. He has taken Switzerland as a model for his championship of the commercial application of laboratory research.

Yet as Israel's society grows the conditions of its security will always be governed by the proximity of the vast, arid, desert fringing the long Eastern frontiers. Whether the "Maginot Line" of blood and flesh will ever be tested by a "French onslaught" or the "second world war" of which the Arab Middle East talks, no one is a Sphinx-like riddle to which nobody as yet has the answer.

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FIRST SHOTS IN UK ELECTION CAMPAIGN

Government defied by two big industries

ANTI-NATIONALISATION DRIVE

London, January 11.

First shots in the general election battle were fired by leaders of Britain's big sugar and cement industries today by defying the Labour Government's warnings on anti-nationalisation propaganda.

Both industries are threatened with nationalisation if Labour wins the election on February 23.

Lord Lyle, President of the £8,000,000 Tate and Lyle Sugar Industry, declared that the sugar industry will continue its campaign against the threat of nationalisation.

The Government of day warned that the threat of nationalisation would be a reality if the Labour Government was elected. The industry leaders, however, have defied the Government's warnings.

The Tate and Lyle Sugar Industry, which produces 100,000 tons of sugar annually, has been a leading force in the anti-nationalisation drive.

Delicate situation

The Government clearly recognises the delicate situation and there is evidence that its leaders intend to exercise the greatest care to avoid any action which might lead to a constitutional crisis.

The Prime Minister, Mr. Clement Attlee, has been seen in the House of Commons today.

The Foreign Secretary, Mr. Ernest Bevin, who is attending the Commonwealth Conference in London, is expected to return on February 2 or 3 in time for the election.

ITALIAN CABINET RESIGNS

Rome, January 11.

The Italian Government, headed by the Prime Minister, Signor Alcide de Gasperi, resigned tonight following the long drawn out Cabinet crisis, provoked by the withdrawal of three right wing Socialist Ministers in October.

The split gave rise last month to the formation of a new Italian Socialist grouping.

The new Government is expected to include the right wing Socialists who agreed on renewed collaboration at their recent conference in Naples.

It is likely to leave in opposition the two other competing Socialist parties. "Other parties of the Coalition will be the majority Christian Democrats, the Republicans and the Liberals."

Signor de Gasperi, leader of the Christian Democrats, is expected to form a new Government—his sixth in 10 months—by the end of this week or the beginning of the next.

The biggest Opposition party when the new Cabinet is formed will still be the Communists, who are second in strength only to the Christian Democrats.

The three anti-Communist Socialist Ministers, including Signor Giuseppe Saragat, resigned to deal with a split in their party, which of their followers having broken away to form a new Opposition party.

At least two of these Ministers are expected to join the new Cabinet.

Signor de Gasperi's Government is expected to be a long-lived one, with the Prime Minister, who will head them tomorrow to the President of the Republic, Signor Luigi Einaudi.

Churchill flying to UK

Funchal, Madeira, January 11.

Mr. Winston Churchill is making arrangements to fly to London on Thursday by an Aquila Airways seaplane, weather permitting.

This reported decision of the leader of the Opposition party followed Tuesday's midnight announcement by the Prime Minister, Mr. Clement Attlee, of February 23 as the date of the general election.

Mr. Churchill was due to leave by sea next Monday. If there is no room on the plane for all members of his party, they are to follow in the liner Pretoria Castle later.

—Associated Press.

OMINOUS SIGN FOR TIBET

London, January 12.

The signs grew more ominous for Tibet today. Report from Bhutan State, on the main route from India to the cloud-wrapped land in Central Asia ruled by the boy Dalai Lama, said a Communist puppet government for Tibet has been formed in the neighbouring Chinese province of Szechwan.

The British reports said the four divisions of Tibetans are being trained for the service of the puppet government, and that a treaty with the regime provides that Chinese Communists, upon liberation of Tibet, will assume the foreign affairs and be given sole rights for mining, minerals believed to include uranium.

At the same time, a report of the official Chinese Communist News Agency broadcast from Peking renewed threats to invade Tibet.

The broadcast said that all the China mainland with the exception of Tibet had been brought under the Red banner. The broadcast said that among the tasks remaining was the "liberation" of Tibet and the Nationalist islands of Taiwan and Hainan.

The Communists said that the revolts of the Governors in Szechwan and Yunnan Provinces ended the campaign in South and South China. The Associated Press and Reuters.

RECRUITS WANTED FOR COLONIES

London, January 11.

Britain needs 1,130 highly qualified men and women as recruits for senior posts in the Colonial Service, an official booklet on appointments in the Service disclosed today.

Nearly three-quarters of these are wanted for East, West and Central Africa. The next biggest demand comes from South East Asia. More than 1,400 picked men and women were accepted for the higher branches of the Service in 1948. The rate of recruitment showed a considerable improvement over that for the two previous years.—Reuters.

LABOUR CHAIRMAN CONFIDENT

Tel Aviv, January 11.

Changes in the Government if Labour returns to power in Britain's general election on February 23 were forecast today by Mr. Sam Watson, Chairman of the British Labour Party. Mr. Watson, who is on a visit to Israel, told a Press conference here: "I think Labour will win because we have better leadership."—Reuters.

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"KEEP LEFT" MANIFESTO BY LABOUR MP'S

London, January 11.

A group of 12 Labour Members of Parliament today published a new "Keep Left" manifesto which their leader, Mr. R. H. Crossman, described as "the way to win the general election." The policy surprised political observers by the way in which it keeps within the Party line, particularly in foreign policy.

Mr. Crossman and others of the 12 have been in the past severe critics of the Foreign Secretary, Mr. Ernest Bevin. Main deviations from the Government include criticism of the annual defence bill of £700,000,000 which is considered excessive, and opposition to peacetime military conscription.

The group includes three Parliamentary private secretaries to Government Ministers.

The manifesto says: "We reject utterly the Russian exploitation of Communist parties and regimes for extending the Soviet Empire." It declares that a prime responsibility of British Socialism is to "expose the fallacy" that military strength is the sole bulwark against Communism.

"The first line of Democracy's defence must be a policy of full employment and fair shares."

Integration of Europe

"Britain in concert with the Brussels Powers should initiate new proposals for the elimination, under international control and inspection, of mass destruction weapons such as the atom bomb."

"The only hope of German democracy depends on preventing her re-militarisation. British Labour should support the French Government and the German Social Democrats in unreservedly opposing the re-armament of Western Germany, and should seek to make the Ruhr Authority really effective."

The manifesto goes on to declare that Britain should continue to oppose "all short cuts" to a united Europe by way of Customs or currency unions, "which would expose our full employment economy to the tender mercies of continental bankers and would, therefore, produce a slump throughout Western Europe."

Socialist plans for European integration should include planned capital investment, joint bulk purchase of source dollars, commodities and internationalisation of Western European transport with a single pan-European airways corporation.—Reuters.

AUSTRIAN CLAIM AGAINST SOVIET

Vienna, January 11.

Austria is counter-claiming 240 million schillings from the Soviet Union for civilian occupation costs against the Soviet claim of 155 million schillings for post-war aid costs, according to Austrian Government sources here today.

Russia, they said, had accepted in principle the Austrians' right to make counter-claims and Dr. Leopold Figl, the Austrian Chancellor, put the claim forward on December 5.

The Soviet representative at daily meetings with Austrian officials were saying that they were still awaiting instructions from Moscow on this point, and that was the reason for the present delay in the treaty negotiations.—Reuters.

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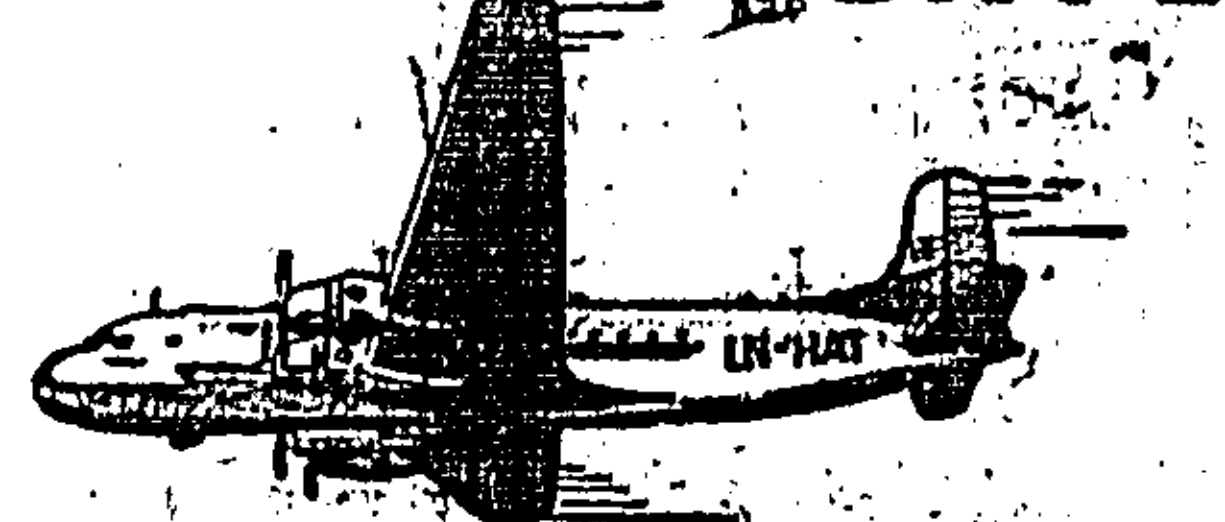
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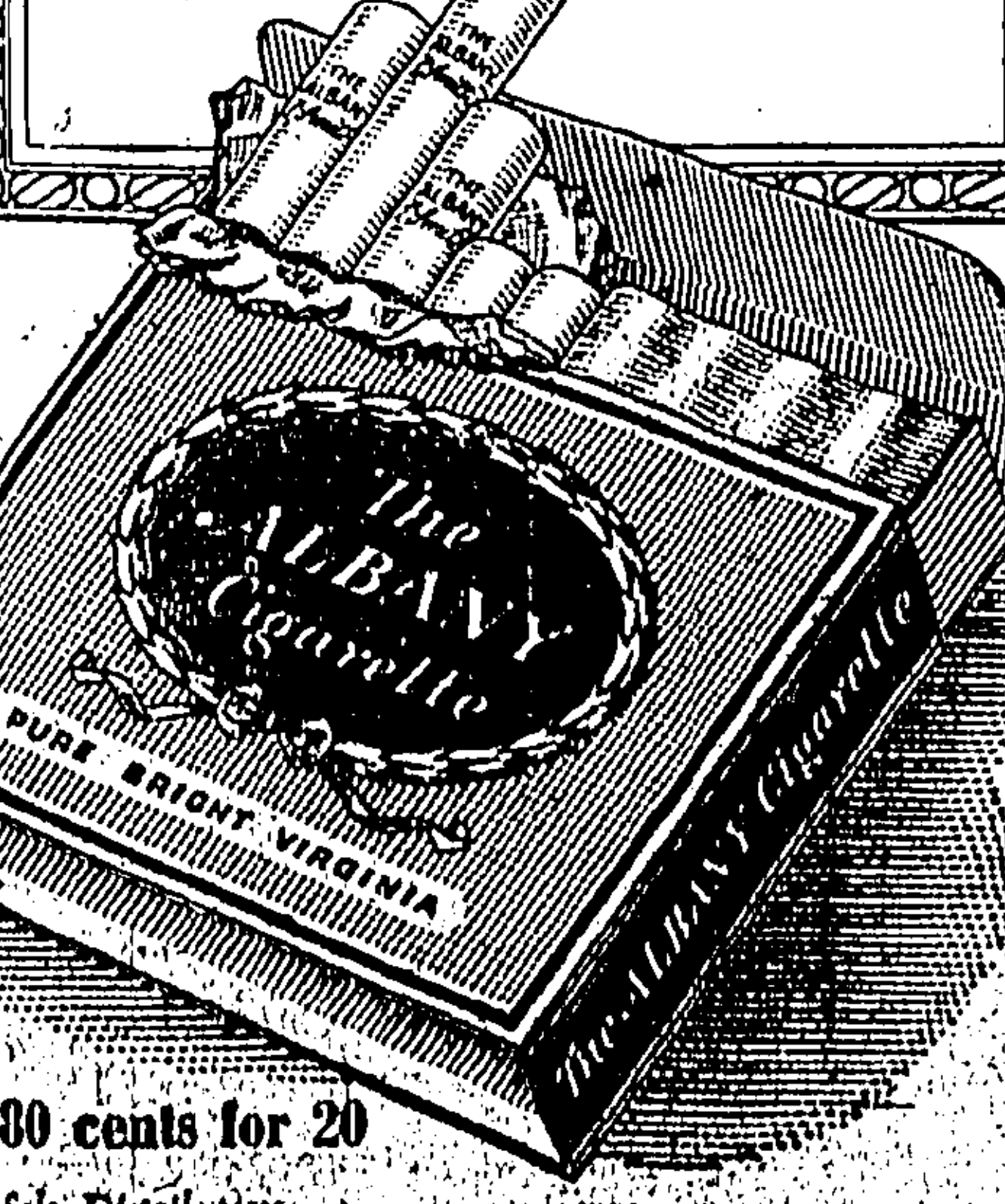
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MAO RECEIVED BY SHVERNIK

London, January 11.

Mr. Mao Tse-tung, head of China's Communist Government, was received today in Moscow by N. O. Shvernik, President of the Presidium of the Supreme Soviet, according to a Moscow Radio report distributed in London by the Soviet monitor.

The Presidium is a continuing committee from both houses of the Russian legislature and is the instrument through which Russia is ruled by force.

WAFDIST TRIUMPH

Cairo, January 11.

Egypt's Nationalistic Wafd Party has captured 225 seats in the new 319-seat Parliament when results after the second ballot in 77 constituencies were announced tonight.

The Socialists, the majority party in the outgoing Parliament, had won 28, the Liberals 26, the Nationalists six, the Socialists one, the Independents 33 and the Kofia Party nil.

Second ballots were necessary because the leading candidates had failed to get more than half the total votes polled in last week's general election, as required under the Constitution.

The Wafdist, who boycotted Egypt's last general election in 1945, now have more than twice as many seats as all the other parties combined in the new Chamber of Deputies.

Their leader, Mustapha el Nahas Pasha, was seen by King Farouk tonight for the first time since his dismissal from the Premiership in October, 1944, which led to the last election.

Nahas Pasha tonight told Reuters that the composition of his new all-Wafdist Cabinet was complete and it was ready to take over the reins of government.

The "caretaker" Prime Minister, Sirry Pasha, is expected to resign tomorrow and to take the post of "Chief of Cabinet" or "King's Principal Private Secretary."

King Farouk will receive Nahas Pasha in the afternoon and the new Cabinet will be sworn in tomorrow night. —Reuters.

ROSSELLINI DIVORCE

Turin, January 11.

The Court of Appeals here is expected to discuss an appeal by the Italian film director, Roberto Rossellini, on Friday for recognition of an Austrian divorce from his wife, Marcella de Marchis.

Rossellini, who was divorced from his wife in Vienna in 1942, plans to wed actress Ingrid Bergmann as soon as her divorce from her husband, Dr. Linström, comes through.

Lawyers for Lindström and Miss Bergmann at present are working out a divorce agreement in the United States.

Rossellini's Austrian divorce has never been legally recognised in Italy. —United Press.

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Announcement expected on Mao mission

Moscow, January 11. Western observers, who are intensely interested in Mao Tse-tung's talks with the Soviet Government, said an official announcement of some sort may be expected soon of agreements which are being worked out by the Chinese Communists and the Russians. It is regarded as likely that Mr. Mao soon will visit outlying areas of the Soviet Union.

More than a week ago, Mr. Mao told a Tass correspondent that he came to Moscow to work out agreements including the question of a Soviet-Chinese treaty of friendship, alliance and trade. Since then, there has been no announcement on the progress of his talks. —Associated Press.

No trace of missing Americans

Manila, January 12. A 13th Air Force rescue squadron patrol passed the native village of Hungdian last night and headed out for Kianguan, the nearest settlement, this morning after failing to find the two missing American university professors.

According to a message relayed to search headquarters at Camp John Hay, Baguio, a six-man patrol aided by native trackers had found no trace of Dr. Robert F. Conklin and Professor Marvin Pittman, of the University of the Philippines, after Christmas Day.

The professors were then four days out on a 10-day hike which would have brought them back to Baguio by January 1.

The message from the patrol, carried by runner to the base camp and then sent by radio to Camp Hay, made no mention of contacting William Beyer, who entered Hungdian yesterday from the East after being set down in a jungle clearing by a helicopter. Headquarters officials said that Beyer presumably is with the patrol now, headed for Kianguan.

Beyer has previously explored much of the high mountain region where the professors were last reported.

Pending arrival of the patrol at Kianguan, on the East side of the mountains, further search plans were held in abeyance. Officials in charge want to get a detailed report on what the patrol found before starting into the jungle area again.

Half a dozen Air Force planes combed Mount Pulog, many miles South of the area where the foot patrol is searching, yesterday without finding any clue.

The mountain is jungle-covered in its lower reaches, but many clear spots near its 8,133-foot summit. The search was made at the request of Mrs. Conklin, who is in the United States. She cabled that her husband once explored Pulog many years ago.

No trails lead from the Hungdian region directly to Pulog, and the professors would have had to backtrack if they had decided to go to that area.

Two Philippine Constabulary men, who were lost from their search party overnight, stumbled out of the mountains near Loo, original starting point of Conklin's hike. —Associated Press.

REGULATIONS BY TAIPEH

Taipei, January 11. Reliable sources said today that the Nationalist government will announce by the week-end detailed regulations governing the movement and activities of citizens, ships and planes of countries which have broken off diplomatic relations with the Nationalists. —United Press.

COLOMBO CONFERENCE DISCUSSES COMMUNIST MENACE IN SE ASIA

Colombo, January 11.

Mr. Malcolm MacDonald, British Commissioner-General in South East Asia, today urged the Commonwealth to be realistically prepared for the worst in assessing the repercussions of the Chinese Red victory on South East Asia.

Mr. MacDonald told the Commonwealth Foreign Ministers' Conference that Indo-China, Siam and Burma are the countries most immediately vulnerable to Communist infiltration.

Mr. MacDonald added that the disruption of rice production in Siam and Burma was an economic menace.

The conference is expected to end this week-end and already the delegations are making plans on this basis.

It is even thought likely that all business can be concluded by Friday evening.

Earlier this week conference officials had suggested that the conference should go on to January 18.

The quick disposal of the Japanese peace treaty discussion during the pre-lunch sitting, today helped considerably to lighten up the conference programme.

Two factors contributed to the shortness of the discussion on Japan. Firstly, there was a large degree of unanimity on the need for concluding a peace treaty with Japan at an early date, and, secondly, it was not thought possible to take the subject any further at this stage in view of the many other Powers, particularly the United States, who are vitally interested in the subject.

Divergent views

The conference, therefore decided to keep the subject under constant review by a committee representing the Commonwealth nations. This committee, observers believed, will probably be composed of Commonwealth High Commissioners in London.

Today's discussions revealed views on Japan which placed India at one extreme and Australia at the other.

Pandit Nehru, the India Prime Minister, strongly supported a quick settlement of the Japanese issue under conditions that will allow Japan economic rehabilitation, political self-determination and an early withdrawal of occupation forces.

Australia, supported by New Zealand, stressed security problems as top priority.

Canada's External Affairs Minister Mr. Lester B. Pearson, while allowing full value to the desirability of an early settlement, made an appraisal of the difficulties in the way of such a solution.

On legal grounds, he reminded Ministers that a formal peace conference with two Communist present would meet an insurmountable difficulty in agreeing on a common approach.

On practical grounds, as representative of the neighbour of the United States, he felt that the Commonwealth Powers ought to understand the position of America as the occupying Power with security responsibility.

Friendly atmosphere

Divergences in emphasis over the Japanese treaty talks did not mar the friendly atmosphere. Britain's Foreign Secretary, Mr. Ernest Bevin, opened the discussion and delegates reported that he was in excellent form throughout the session.

Mr. Philip Noel-Baker, British Secretary for Commonwealth Relations, told reporters after the session that the Ministers had had "a very good day and a most useful discussion."

Mr. Pearson went out of this way to ridicule a local newspaper report attributed to the correspondent of one London newspaper that the conference was dragging through waning enthusiasm and that the British election announcement made delegates feel that in the event of a Conservative victory the present British delegation's views might be repudiated.

On the contrary, he asserted that the talks covering widely different regional approaches had revealed all delegates as essentially reasonable and understanding.

Sources close to the conference said that South Africa's approach was cautious, influenced mainly by her regard for Australia's point of view and her desire to see Japan become self-supporting again.

Red danger

Mr. MacDonald's review of South-East Asia was presented frankly as personal impressions. While hoping for the best he urged the Commonwealth to be realistically prepared for the worst in assessing the repercussions of the Chinese Communist victory on South-East Asia.

Taking up the theme already touched on yesterday of China's "fifth column," potential, Mr. MacDonald was reported to have singled out Indo-China, Siam and Burma as the most immediately vulnerable to Communist infiltration.

He said that disruption of rice production in Siam and Burma, a by-product of the unsettled conditions in South East Asia, was an economic menace.

Among hopeful sides of the picture, according to informed sources, Mr. MacDonald listed the transfer of power in Indonesia and Indo-China.

He saw ex-Emperor Bao Dai's prospects of restoring a peaceful and independent administration in Indo-China as much improved and thought that Bao Dai was in no way a French puppet.

Recovery steps

Mr. MacDonald described the latest results in the war against the Malayan terrorists. He said that there are about 4,000 terrorists and their placements are often Chinese immigrants.

Broad agreement was again evident among Commonwealth members today that the Commonwealth must make its contribution to the financial and economic recovery of South East Asia if it is intelligently to prevent the spread of Communism.

This is expected to lead to a more detailed discussion tomorrow on how such contribution can be made.

The Australian delegation circulated a memorandum on why and means of tackling Commonwealth aid to South East Asia. This memorandum will be discussed tomorrow.

It is anticipated that Commonwealth financial aid to Burma will also be among tomorrow's topics.

The Ceylon delegation, like Australia's was described as showing keen interest in projects for economic aid to South East Asia.

Nehru's views

In today's talks, delegates noticed that Pandit Nehru, when discussing the Communist danger in Asia, always referred to "Russian influence," drawing a distinction between Communism as such and the influence of Moscow's foreign policy.

Observers believe this distinction significant for understanding his whole approach to the Chinese problem.

Standards of living must be raised and States in South East Asia given national status if Communism is to be stopped in the area, Pandit Nehru told the conference.

He was joined in this call by a delegate from Pakistan during discussions on political and economic conditions in South East Asia.

It was generally agreed that economic assistance would not be enough to prevent the spread of Communism, and that States must be contented and independent.

Moscow Radio, commenting late last night on the conference, alleged that "the very fact that Foreign Secretary Bevin and his colleagues fear publicity shows that a new plot against the nations is in preparation."

The commentator added "Diplomatic recognition of the Chinese People's Republic by the Labour Government of Britain does not mean any change in the Imperialist trend of British foreign policy."

Both Churchill and Bevin, representing as they are the interest of the British monopolies, have the same desire: to suppress the peoples of the colonies and strangle the national liberation movement in South East Asia.

Main issue at the conference, he said, was intensification of Imperialist expansion and the creation of a Pacific bloc to supplement the aggressive North Atlantic bloc. —Reuters and Associated Press.

FATE OF U.S. AIRMAN

Washington, January 11.

The State Department spokesman, Mr. Michael McDermott, said the United States will attempt to approach the Chinese Communist authorities to determine the fate of the American pilot of the Chinese Civil Air Transport plane which was forced down near the Vietnam border on December 4.

He said that State Department has just been advised from Hong Kong that the plane, which first was believed to have landed in Vietnam, actually came down in Chinese Communist territory.

Mr. McDermott said that although it was reported that the aircraft was forced down and may have crashed, he understood that the pilot, James McGovern, was not injured.

The other two members of the crew, Chinese nationals, also were understood to be unhurt.

He said the United States would ask the Chinese Communist authorities to report on the welfare and safety of the pilot. —United Press.

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OFFICER ON BIGAMY CHARGE

London, January 11. A British ex-Army officer, son-in-law of wealthy Baron de Smet de Neyer, of Belgium, was charged in London's premier criminal court, the Old Bailey, today with bigamously marrying a Secret Service agent during the war.

The officer, Edward John Woolven, 44, a distinguished wartime intelligence officer in North Africa and Sicily, and now a shipping agent, was released under supervision for two years after pleading guilty to bigamy. He was charged with having married a woman, who had been married to a man, whom he married at Bombay, India, in 1944. His first wife was already a widow in 1939.

They had one child, a daughter born in 1940. Because of Mr. Woolven's health, he returned to Europe but did not return because his wife wanted to continue living in her own home. She had been married to a man who was already a widow in 1939.

She lived with Woolven as his mistress in Italy while they were engaged together on their difficult and dangerous operations.

As a member of the Italian Air Force, he persuaded him that his first marriage was invalid, and they went through a bigamous ceremony in England in 1945, defending counsel added.

FRANCE AND INDO-CHINA

Paris, January 11. M. Pierre Henri Tetgen, the French Minister of Information, said today that France will be "glad to pull out" of Indo-China, if the Vietnamese Government asks us to.

"France's armies are there not against the Vietnamese people but against Dr. Ho Chi Minh. We know that if we pulled out now, disorder would sweep into Indo-China," Tetgen told the Anglo-American Press Association lunch.

The Auriol-Bao Dai agreements gave complete freedom to Vietnam. "If Bao Dai's Government was to ask us to occupy only these bases named in the agreements we would gladly oblige. It is now up to Bao Dai's Government to keep peace and order."

"Indo-China asked us for: (1) Independence within the framework of the French Union; (2) Our help to keep the United States have freed so many countries that they will understand the necessary presence of troops to achieve liberation."—Reuter.

The change-over from Nationalism to Communism has done nothing to relieve the burden of the Chinese farmers, who are still carrying the heaviest load of any class in China.

They are bearing the brunt of financing the war of "liberation," the vast Communist army of four to five million men, the Government and also industrial revival.

Soviet machinery now being applied to Manchuria is being used for food requisitioned from the Manchurian farmers.

According to the chairman of the Manchurian people's Government, Kao Kang, over 4,000,000 tons of food were "contributed" to the Government by the farmers during the last three years. One-third of this was used to buy industrial equipment.

According to the Communist Finance Minister, Po Loo, the farmers will be required to continue to bear the major share of financing the Government. He said in his budget speech on December 2 that "grain food" requisitioned from the peasants would be the largest item on the revenue side, occupying 41.4 per cent of the total budgetary income.

The Communists, who had been attacking the Kuomintang's food requisition policy, are imposing far heavier food levies on the farmers. The levies are made in the name of requisitions, contributions and supply assessments.

The levies are imposed on big and small landowners and tenant farmers as well. In the case of tenants, they pay 70 per cent of the levies. Many farmers in the Nanking-Shanghai area offered to give their land to the Communists in lieu of levies and taxes, but the offer in all cases was rejected.

Peasant uprisings

Some farmers are compelled to sell their furniture and other kinds of movable property to meet the levies.

In some areas the Communists allowed months of grace to defaulting farmers until the next harvest for paying up the requisitions. In some places, some farmers were able to obtain remissions by pleading poverty.

But elsewhere the Communist kungpu (trunk and file) were more severe, especially in villages around Hangchow where some farmers were reported to have been made to stand in punishment for their inability to pay the levies.

In addition to the levies and taxes, the rural people are subjected to radical Communist rule by the "old line" unscrupulous Communist kungpu. This has resulted in widespread discontent in the rural districts and in many peasant uprisings.

In some areas farmers driven to desperation killed Communist levy collectors. In other areas farmers left their farms and fled to the cities. A small minority in North Kiangsu refused to cultivate their lands. Others in Shantung cultivated their lands but deliberately refrained from fertilizing them. In some districts in the Nanking-Shanghai area farmers protested by refusing to accept the Communist currency. In the Kaochiao district South East of Shanghai, farmers declined to respond to the Communist call for repairing dykes against tidal waves.

Regimentation

Another cause of rural dissatisfaction is the Communist regimentation policy, which in many of its aspects is contrary to traditional Chinese concepts of life, such as the policy of forming village women into societies and the frequent meetings in which the farmers are obliged to attend.

Due to the Communist news blockade, very little independent information has leaked out regarding conditions in the rural districts in the so-called "old liberated areas" that is, areas ruled by Communists since the Sino-

Japanese war. Communist propaganda claims that the standard of living in these areas has been raised and the farmers are a happy lot.

The only independent information this correspondent has collected regarding these areas was that given him by friends.

One friend visited many villages in the "old liberated areas" about 40 miles South of Tientsin. He said he found conditions in all the villages he had visited the same. There were no houses with tiled roofs. All houses had straw roofs and were in a dilapidated state with holes in the walls. They looked as if no one had lived in them for years.

He asked one farmer why. The farmer told him, "We cannot have tiled roofs and we deliberately left our houses unrepaired, because if we have tiled roofs and repair our houses and make them look good, we will be in danger of being dubbed rich or wasting money and labour on good living and neglecting our production."

Serious problem

It was an age-old custom. In these villages to have a travelling opera give performances several times a year in celebration of the harvest and other festivals. My friend found there were no more opera performances. A farmer told him, "When a travelling troupe performs here, no one goes to the show, because if we go to the show we will be in danger of being dubbed a pleasure-lover and a neglecter of production."

One day he saw a man carrying water from a well a mile away from his home. The man made so many water-carrying trips that he became curious. He reasoned that the man could not have needed so much for his household use. Questioned, the man replied, "Our village kungpu ordered me to plant cotton this season instead of wheat. There is no rain. The kungpu told me to carry water from the well to water my cotton field. He said that they do the same thing in Sullen (Soviet Russia). Probably, they do the same thing there, but may be they do it with machine power, not human power."

The widespread disillusionment and discontent has been openly admitted by Communist officials to be a serious problem. They charged that it is instigated by Kuomintang underground agents. It is conceded that the charge contained some truth, but neutral observers maintain that Communist policies are largely responsible.

Rural discontent has helped in the operation of anti-Communist forces, such as the Ninth Route Army and other so-called "anti-Communist national salvation columns." Some of these forces were formed spontaneously by the discontented farmers, some independently formed by Kuomintang stragglers and some were left behind by the Kuomintang Army command.

Many Communist-held cities in outlying districts are blockaded by resistance forces. In Tungliu district rural hostility was so tense that the Communist hsten magistrate dared not leave the city without a heavy guard, according to travellers from there.

—United Press.

BATTLE OVER TAIWAN U.S. carrier sails for the Pacific

Alameda, January 11. The U.S. Navy aircraft carrier Boxer left the West Coast today for its new assignment with the Seventh Task Fleet in the Western Pacific.

Two destroyers will accompany the carrier from San Diego. Boxer is carrying 90 planes—fighters and attack bombers.

Before leaving, Rear-Admiral W. F. Boone said: "My orders are simply to take this force and report to Vice-Admiral Russell S. Berkey, Commander of the Seventh Task Fleet."

Admiral Boone said his range of operation will be up and down the Far Western Pacific, including Japan and Singapore.—Associated Press.

U.S. decision on China approved

Pittsburgh, January 11. Colonel Thomas Tchou, former personal secretary of Chiang Kai-shek, approves President Truman's decision not to send military aid to the Chinese Nationalist government.

Speaking before the Students' Congress of the University of Pittsburgh, Colonel Tchou said the President's action was the traditional American attitude toward China.

The former Labour Department chief in the Nationalist government believes the fall of Taiwan and Hainan islands to the Chinese Communists is only a question of time.

He declared the Communists may eventually be overrun if they do not make good on their promise to provide better government than the Nationalists.—Associated Press.

BATTLE SCENE TOO REALISTIC

Rome, January 11. One actor was killed and three others injured today on location in Frascati, near Rome, when a live bomb exploded during the filming of a battle scene.

Domenico Orsini, a Rome-born actor, was playing a scene in "Heroic Cavalcade," an Italian film portraying the occupation of Rome by Italian troops in 1870. Orsini, who wore the typical cock-feathered hat and the long blue jacket of the Bersaglieri Infantry, was supposed to fall dead.

As he fell, the butt of his rifle hit one of the live bombs already there for a battle scene. The bomb exploded, Orsini was killed and three other actors nearby were slightly injured.—Associated Press.

SHANGHAI RAID

London, January 12. The Soviet news agency Tass said today that Chinese Nationalist bombers killed 62 persons in a raid on Saturday on Communist-held Shanghai.

More than 40 persons were wounded and 200 houses were destroyed in the raid, Tass reported.—Associated Press.

OVER TAIWAN Vandenberg, Taft join forces

Washington, January 11. Senators Arthur Vandenberg and Robert Taft—long opposed on foreign policy—joined today in a demand that Congress question the Joint Chiefs of Staff on the strategic importance of Taiwan.

In separate speeches, both Republican leaders attacked the Administration's hands-off policy toward the Chinese Nationalists' island stronghold.

Senator Vandenberg said he did not feel that the Congress had adequate information on Taiwan without the testimony of the defence establishment in general and the Joint Chiefs of Staff in particular. He felt that their testimony would be pertinent and indispensable.

Senator Taft said the basis of United States foreign policy in the past three or four years has been to "contain" Communism at its present boundaries and to prevent any single step of advance.

The United States intervened in the Greek civil war although that might easily have involved the country in war, he said.

The United States has taken anti-Communist steps in Korea, Turkey and Berlin and in Western Europe generally and "we have not hesitated to risk war. In China for some reason the State Department has pursued a different policy from that followed throughout the rest of the world."

Senator Taft said the U.S. Navy and State Department could save Taiwan from the Communists without getting the nation into a shooting war with Russia.

No war danger

He told the Senate that the Chinese Communists could not cross from the mainland of China to invade Taiwan if the U.S. Navy makes it clear that ship carrying troops will not be allowed to cross.

Senator Taft added that the Communists probably would not even try to invade the island if the State Department made it perfectly clear that the United States will not permit Taiwan to fall into Red hands.

The Republican leader said both steps could be taken without fear that they would plunge the nation into war with Russia. He added it is hardly possible that the Chinese Communists themselves could start a war if the United States intervened.

Senator Taft said President Truman had resorted to his "usual course of setting up a straw man, and then proceeding to knock him down." In his policy statement last week, Senator Taft said, Mr. Truman vetoed suggestions by those seeking a strong Far Eastern stand.

He also charged Chairman Tom Connally of the Senate Foreign Relations Committee with being curiously inconsistent, because he shudders at the possibility of war in the Far East, although he supports 10 times more risky programmes in Europe.

Senator Taft said the State Department has been guided on its China policy by a left-wing group who obviously wanted to get rid

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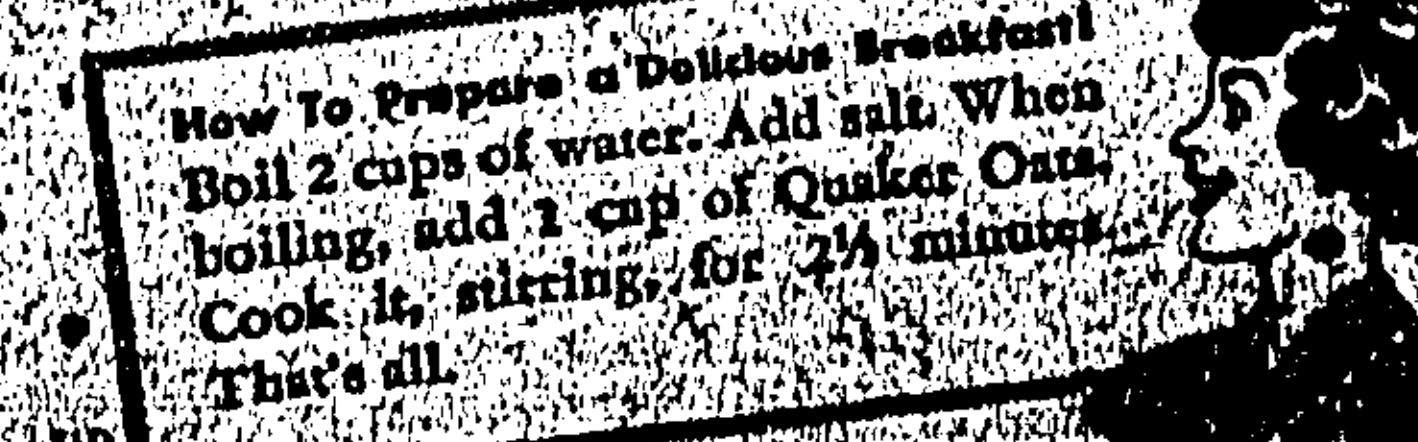
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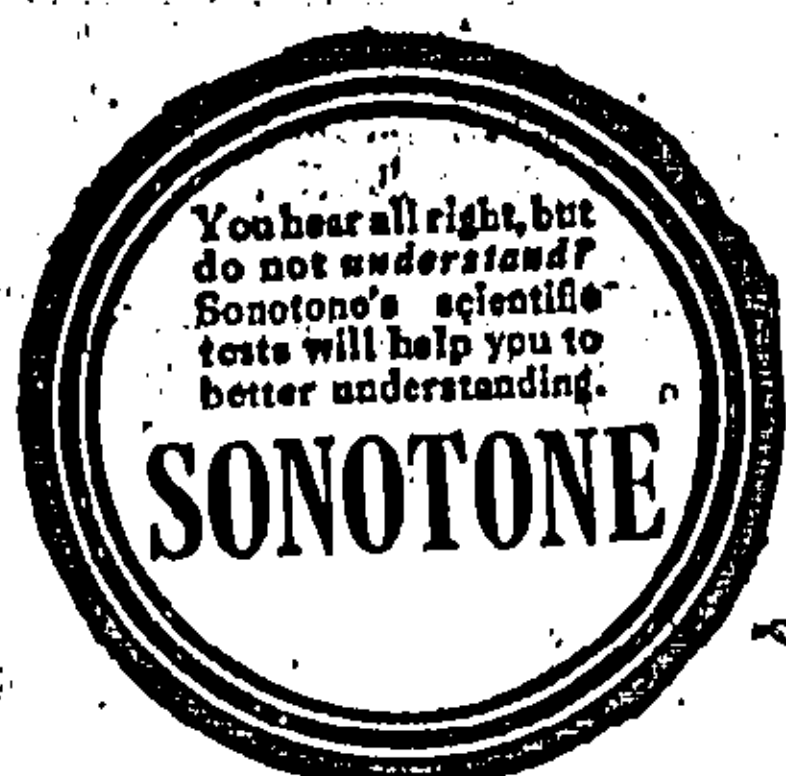
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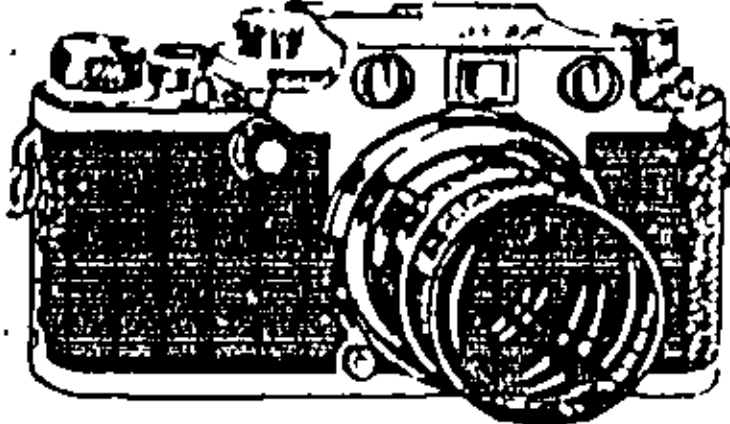




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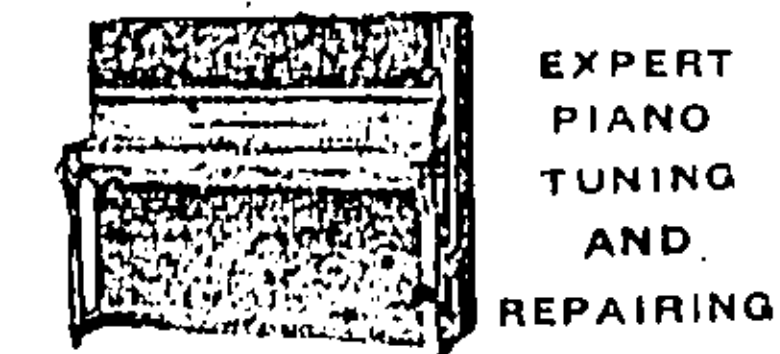
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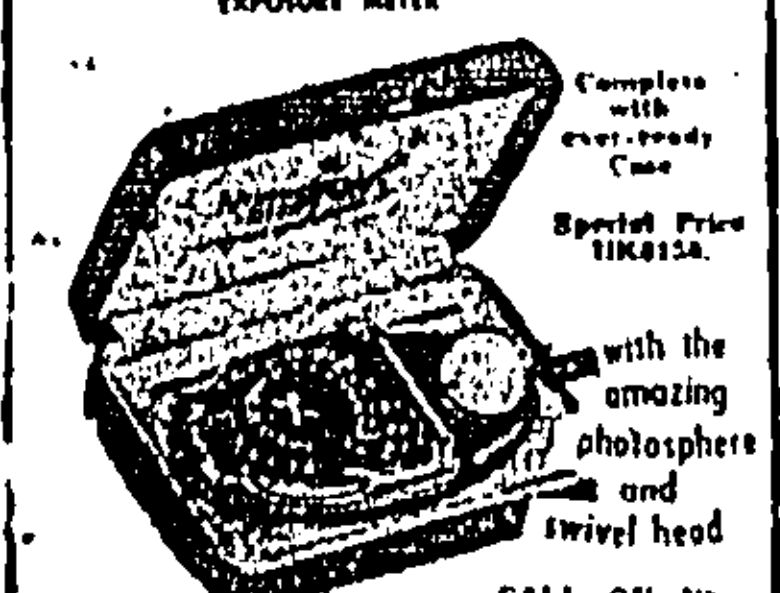
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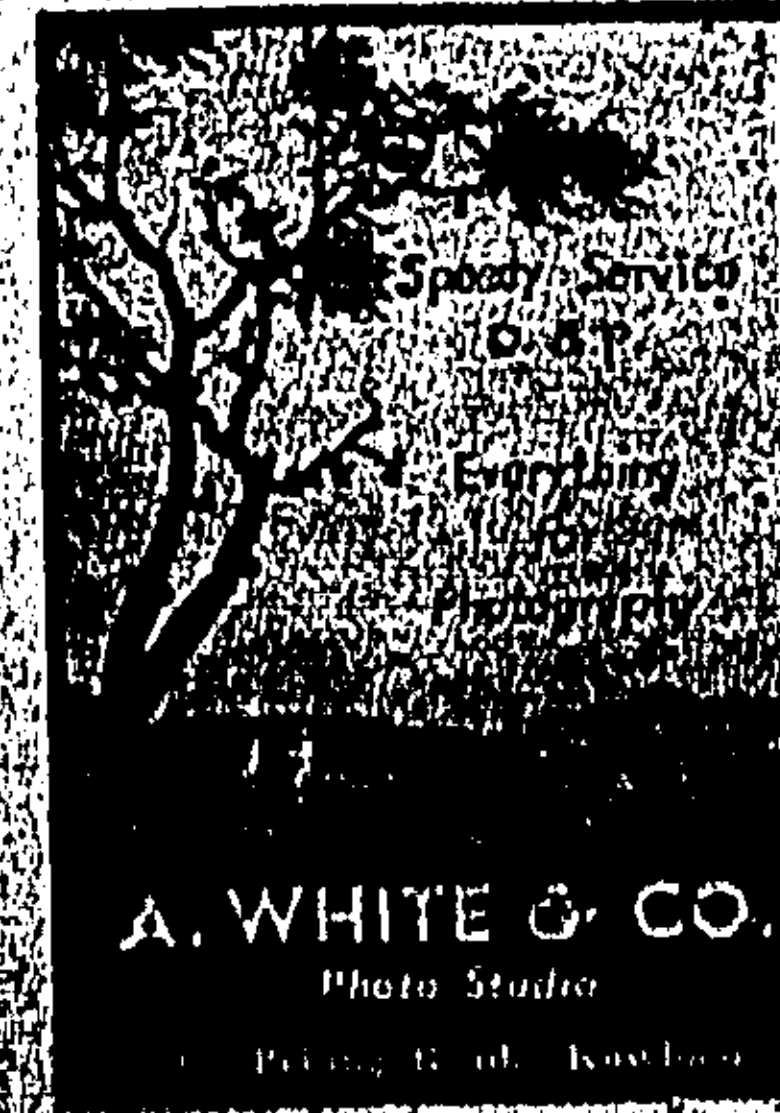


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Stilwell blamed for debacle of Nationalists

New York, January 11.

Joseph Alsop, in the second of three articles on "Why We Lost China" appearing in the Saturday Evening Post, today charged that the beginning of the end in China came in 1942 when Lieutenant-General Joseph Stilwell made three demands on Generalissimo Chiang Kai-shek.

Mr. Alsop said that General Stilwell, who at that time was Chiang's Chief of Staff and commander of the China, Burma and India war theatre, had just lost the crack Chinese Fifth and Sixth armies in Burma.

"But Stilwell had no word of sympathy for this loss. Instead his whole theme was the worthlessness of the Chinese forces—and particularly of the Chinese officers—he had led," Mr. Alsop said.

He said General Stilwell demanded:

PEKING REPLY TO NORWAY

Tokyo, January 12.

The Chinese Communists have told Norway they are willing to establish diplomatic relations "after the Norwegian Government severs relations with the remnants of the Kuomintang reactionaries."

The Reds also said that diplomatic relations must be established "on the basis of equality, mutual respect for territory and sovereignty."

The Communist attitude was outlined in a Peking broadcast monitored here.

Peking said Norway's Shanghai Consul-General, Martin Holstad, had called on the Red Foreign Minister, Chou En-lai, on January 7. Norway's desire to establish diplomatic relations with the Communist Government.

Chou En-lai instructed Hwang Hwa, of the Foreign Affairs Control Committee, to outline to Mr. Holstad the conditions under which such recognition could be effected.

Hwang Hwa was instructed to tell Mr. Holstad that the Norwegian Government "is requested to send its representative to Peking to conduct talks on this matter."

— Associated Press.

Union Jack returned

London, January 12.

A Union Jack seized from the British Consulate at Tamsui, Taiwan, by eight armed Chinese Nationalist soldiers was returned on Wednesday, the Foreign Office announced.

A message from the British Consulate there said that Chinese military police brought back the flag and that Nationalist officials are co-operating to protect the Consulate.

It was taken by one of several groups of Nationalist soldiers who demonstrated around the Consulate in protest at Britain's recognition of Communist China. The Foreign Office had announced earlier.

The Foreign Office said that a message from the Consul (Mr. Edward T. Biggs) made no mention of apology by the Chinese Nationalist Government in Taiwan. — Associated Press.

U.S. youth killed in Philippines

Manila, January 12.

The United States Consul at Cebu has demanded an official investigation of the killing on Sunday, January 8, of an 18-year-old American boy by Philippine Constabularymen in Iloilo Province, Panay Island.

According to reports to the embassy here, Patrick Murphy, son of Louis Murphy, a telephone line superintendent, and a young Filipino companion were shot by the Constabulary "who left the dying boys near a railroad line without offering aid. The shooting occurred near Summit Pass, the report stated.

Murphy's father said the youths were on a hunting expedition. The Constabulary is said to have reported to its Iloilo headquarters that a patrol searching for bandits opened fire when the youths failed to halt at their command.

Governor Mariano Pineda of Iloilo was quoted in the "Manila Bulletin" as declaring that this was only one of a series of wanton killings by the Constabulary recently. The Governor was also quoted as saying that the Constabulary in the area were "compromising with bandits and outlaws."

But he was also quoted as declaring an inquiry by Central Government authorities. No comment was obtainable in Manila. — Associated Press.

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— Associated Press.

REGULATIONS FOR CHINESE TRAVELLERS

Tokyo, January 12.

Chinese on all trips to or through India will need papers the Tokyo office of Pan-American World Airways was advised today. Their China Nationalist passports no longer will be acceptable.

The Home Ministry of the Indian Government at New Delhi advised the airline that "in accordance with international law, Chinese nationals holding China Nationalist passports will not be permitted to land in or pass through Calcutta unless carrying a passport issued by the new Government of China, or a temporary travel document issued by Indian consular representatives abroad."

William Ortwin, an airline official here, said world flight passengers are required to have transit visas for certain countries even if they do not get out of the plane during brief stops.

The new regulations at Calcutta follow India's recognition of the Chinese Communist Government. — Associated Press.

DAUGHTER FOR MARCHIONESS

Perth, January 11.

The birth of a daughter to the Marchioness of Londondown was announced today.

Before her marriage in 1928, the Marchioness was Miss Barbara Chase, daughter of Harold Stuart Chase, of Santa Barbara, California.

The baby was born at Lord Londondown's country seat, Melkour House, and is the couple's fourth child. — Associated Press.

"Red agents in Taiwan wiped out"

Taipei, January 11.

Chinese Communist agents have been active in Taiwan but they have been wiped out in the past six months, an official statement said today.

The statement by the Peace Preservation Headquarters was prompted in part by word of mouth advice last month by the U.S. Consulate urging Americans to leave Taiwan.

"Peace and order are being so well maintained" said the statement, "that no room is left for revolt. We have not the slightest doubt of our ability to preserve peace and protect foreigners."

Headquarters said Communist cells had been found and eradicated in the armed forces, the schools and other elements of society. — Associated Press.

OPIUM HAUL IN PENANG

Penang, January 11.

Four police officers on Wednesday seized some 1,200 pounds worth of opium from a motor car at noon as it arrived in Penang after crossing the ferry from the Malayan mainland.

Weighing about 40 pounds, the opium is alleged to have been concealed in the petrol tank. — Associated Press.

LONDON STUDYING REPLY FROM REDS

London, January 11.

The Foreign Office is studying the Chinese Communist Government's reply to the British note according to de jure recognition to the Communist regime, an official spokesman said today.

He added, "No comment on the reply will be made until the Peking Government's reply has been examined, which may take some little time."

It is understood that the reply is considered in some quarters as a "snub" to the British Government. Observers said it is unusual for a government to "examine" such replies.

The official spokesman made no mention of the Peking broadcast which commented on Britain's note of recognition. The broadcast announced the Chinese Communist acceptance of Britain's recognition offer, but at the same time attacked Britain's allegedly imperialistic foreign policy.

Reference to "negotiations" in the text of Peking's reply to the British note, according to de jure recognition to the Communist Government, threatens to portend a new crisis over Hong Kong.

The Foreign Office is said to be still examining the passage in the text of the Peking reply accepting the British Charge d'Affaires in Nanking as British representative and stipulating

that he should "be sent to Peking for the purpose of carrying on negotiations on the question of establishing diplomatic relations."

Nobody here doubts that the Communists will eventually make some attempt, short of di-

rect military attack, to drive the British from their Crown Colony, or at least from the 300 square miles of leased territory on the mainland.

Negotiations on treaties?
It is therefore thought possible that the Communists may believe negotiations on the existing treaties governing Hong Kong to be necessary as a basis on which they would agree to establish diplomatic relations.

Pending the completion of the Foreign Office examination of the Peking note, no instructions will be sent to Mr. J. C. Hutchinson, British Charge d'Affaires, to proceed to Peking.

Officials will not commit themselves on any probable course of action, but recalled that the Foreign Secretary, Mr. Ernest Bevin, told the House of Commons in October 1949, "We do not intend to be talked or jostled out of our Colony." — United Press.

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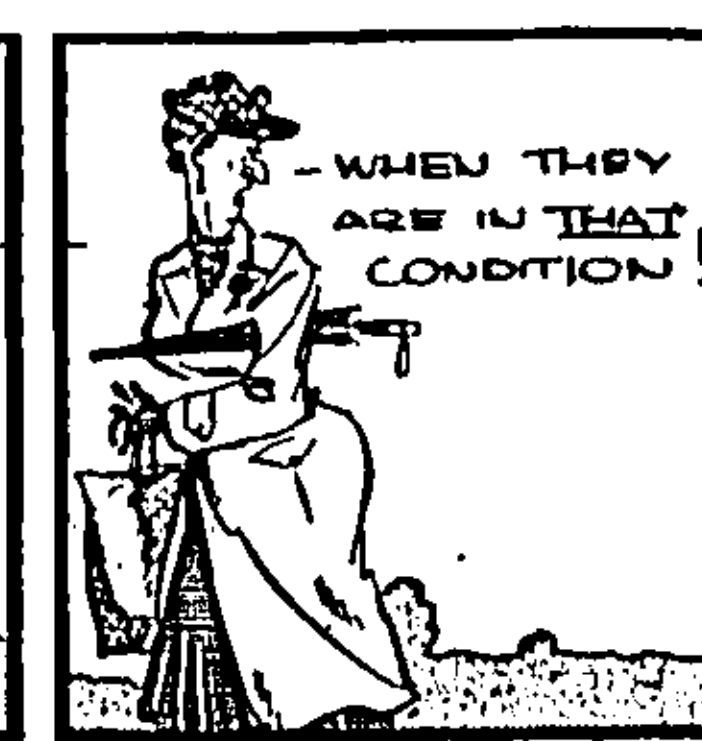
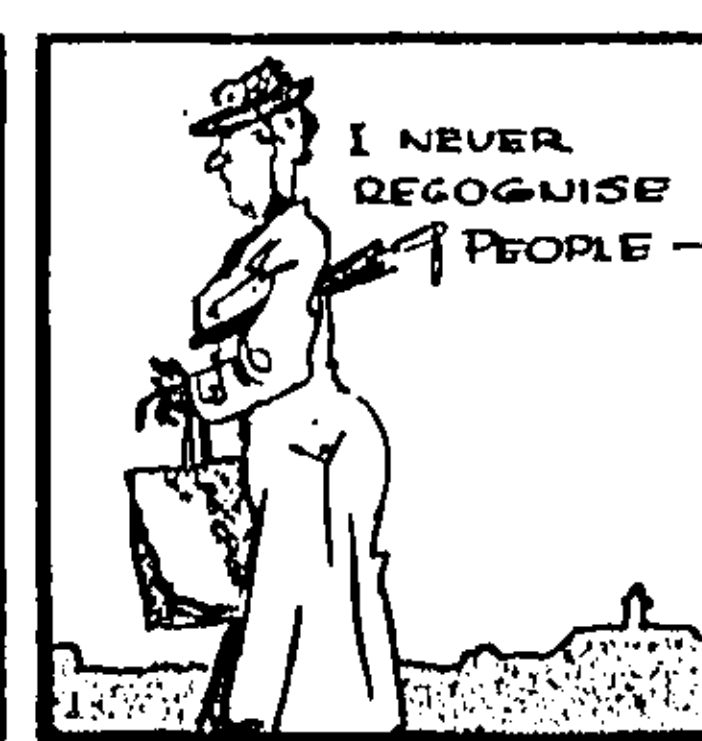
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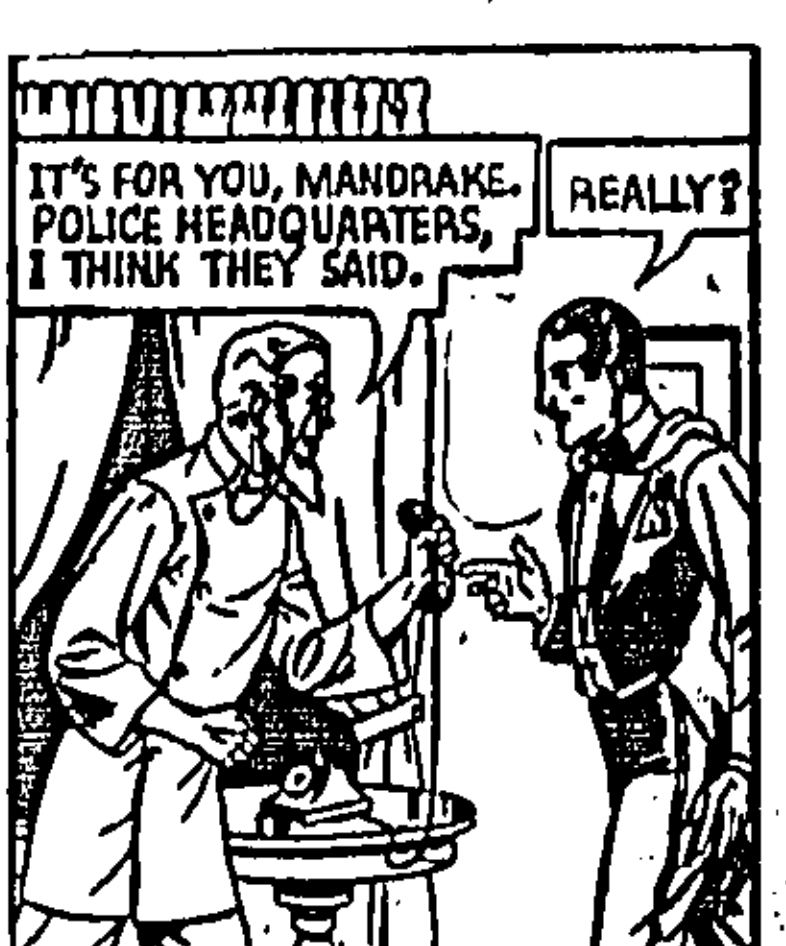
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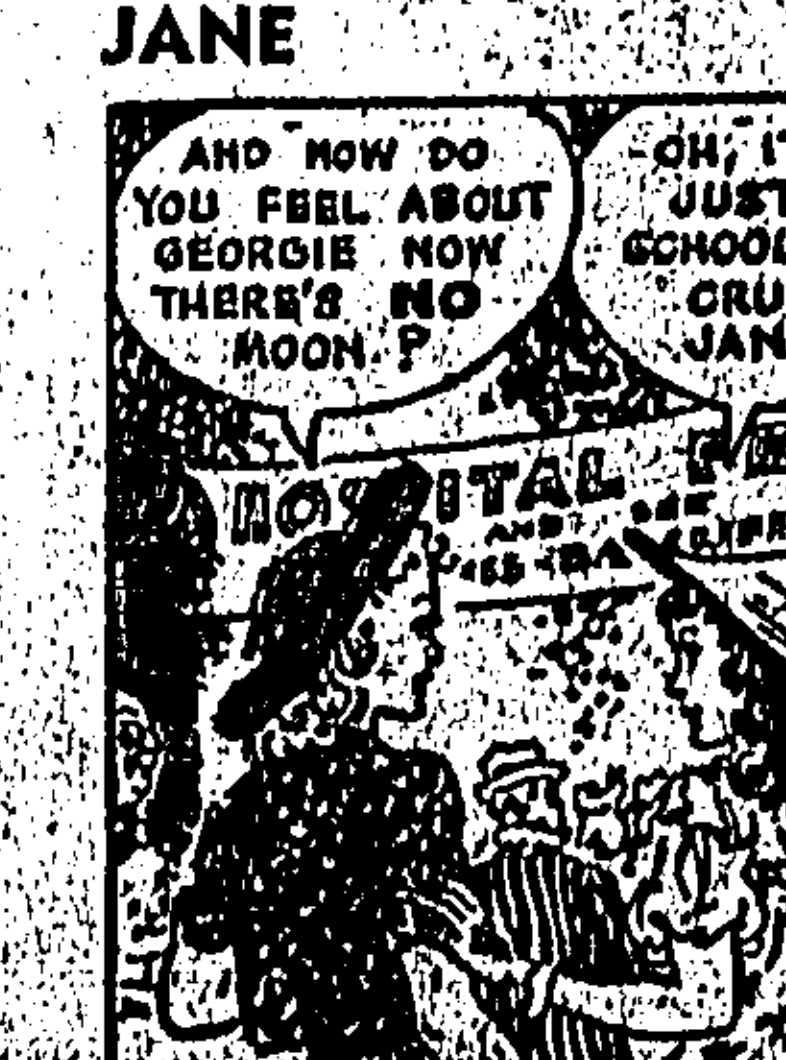


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FOREIGN INVESTMENT IN JAPAN DISCUSSED

Tokyo, January 12.

Japan's eagerness to attract foreign capital has progressed to the stage where officials are concentrating on ways and means to meet requirements of conservative investors.

The International Trade and Industry is hopeful of concocting an arrangement through which at least the principal of foreign investments can be guaranteed.

Hong Kong Stock Exchange

The little business passing shows that rates are steady, but the market is becoming rather neglected.

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MACKINNON, MACKENZIE & CO. Agents, B. S. N. Co., Ltd. Hong Kong, Jan. 13, 1950.

Adjustment of U.S. tariffs

Washington, January 11.

The United States Secretary of the Treasury, Mr. John Snyder, told a Press conference here tonight that he might recommend to the present session of Congress an adjustment of United States Customs on imports from overseas.

The reduction of United States Customs barriers against British goods was agreed on by Britain, the United States and Canada during the September dollar talks to help Britain solve her dollar shortage by exporting more to the United States.

His weekly Press conference, Mr. Snyder said that the Treasury hoped to have ready in time a report on United States Customs procedures which might involve legislation and that recommendations would possibly be made during the present session of Congress.—Reuter.

Money Market

US dollars opened yesterday at HK\$56.50, went up to \$56.58, and closed at \$56.58.

TT was stationary at HK\$6.03.

Sterling was firmer at HK\$15.13.

Australian pounds were unchanged at HK\$13.

Plastres were again nominal at HK\$15.10 a 100.

Ticals were maintained at HK\$28.50 a 100.

NEI Guilders dropped 50 cents to HK\$23 a 100.

LONDON STOCKS

London, January 11.

Prices drifted slightly lower in most sections of the London Stock Exchange.

Little business was done. Brokers regarded the session as the start of a "big sleep" until the national election on February 23.

Losses in the British Government bonds list ranged from 1/8 to 1/4 of a pound per bond.

The Financial Times Index was 104.8, off 0.5.—Associated Press.

NY RUBBER

New York, January 11.

Crude rubber number one futures closed two lower to five higher. Sales 121 contracts.

March 18.36-40.

May 18.08.

July 17.80 bid.

September 17.50 nominal.

Spot number one ribbed smoked sheets, 18-1/2 nominal.—Associated Press.

NOTICE TO CONSIGNEES

Consignees Per

s.s. "BENVRAKIE"

are hereby notified that their cargo is being discharged into the Hong Kong & Kowloon Wharf & Godown Co., Ltd., where it will be at consignees' risk and expense and subject to the Wharf's terms and conditions of storage, and where delivery may be obtained.

Damaged packages are to be left in the Godowns for examination by Consignees and the Company's surveyors, Messrs. Carmichael & Clarke at 10 a.m. on January 19, 1950.

To comply with the General Bonded Warehouse Regulations, consignees must have a Revenue Officer in attendance when damaged dutiable goods are examined.

No claims will be admitted after the goods have left the steamer's godowns, and all goods remaining undelivered after 17th January 1950 will be subject to rent.

All claims against the steamer must be presented to the undersigned on or before January 31, 1950, or they will not be recognised.

No Fire Insurance will be effected.

W. R. LOXLEY & CO. (CHINA), LTD. Agents, Hong Kong, January 11, 1950.

N.Y. Stock Exchange

New York, January 11.

The stock market forged ahead on Wednesday into new highs with the heaviest trading in 10 months.

For the 11th full session in a row, sales topped the 2,000,000 shares mark by a comfortable margin. Steel and motorcar stocks spearheaded the rally.

Sales stepped up to 2,030,000 shares, the biggest turnover since more than 3,000,000 changed hands on November 3, 1948.

Every one of the 15 most active shares advanced.

Bentley Consolidated Mining, Philippine gold producer recently under pressure, rallied from 3 1/2 to 4.

It was the fourth most active among the 15 stocks.

Dow Jones averages: Stocks 73.19, 20 Industrials 203.61, 10 Rails 55.80, 10 Utilities 41.48.

Closing quotations:

Adams Express 23 1/2

Alaska Juneau 3 1/2

American Can 100 1/2

" Smelting 57

" Telephone 147 1/2

" Tobacco 74 1/2

" Waterworks 8

Annacoda Copper 30 1/2

Aviation Corp. 6

Baldwin Locomotive 12 1/2

Barnhill 55 1/2

Bendix Aviation 35 1/2

Bethlehem Steel 33 1/2

Boeing Aircraft 27 1/2

Borden Co. 49 1/2

Canadian Pacific 15 1/2

Cash 1 1/2

Chrysler 47

Colgate 45 1/2

Commercial Solvents 20 1/2

Corn Products 70 1/2

Du Pont 62 1/2

Eastman Kodak 47 1/2

General Electric 43 1/2

" Motors 72 1/2

Goodrich 74 1/2

Goodyear 47

Homestead Mining 47 1/2

International Harvester 28

" Paper 37 1/2

" Tel. & Tel. 11 1/2

Johns Manville 48

Kennecott Copper 54 1/2

Montgomery Ward 57 1/2

National Distillers 23 1/2

" Lead 30 1/2

New York Central 13 1/2

Packard Motors 4 1/2

Pan American Airways 10

Pennsylvania RR 17 1/2

Radio Corp. 13 1/2

Real Silk 12 1/2

Remington Rand 12 1/2

Republic Steel 25 1/2

Reynolds Tobacco 30

Schenley 34 1/2

Sears Roebuck 43 1/2

Shell Oil 30 1/2

Socoy Vacuum 16 1/2

Southern Pacific 53 1/2

Standard Brands 22 1/2

" Oil of Calif. 63 1/2

" Oil of N. J. 68 1/2

Studebaker 28 1/2

Union Bag 20

" Carbide 44 1/2

US Rubber 41 1/2

" Steel 27 1/2

" Lines 17

